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THE FISCAL YEAR 2013 BUDGET FOR VETERANS' PROGRAMS

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

FEBRUARY 29, 2012

Printed for the use of the Committee on Veterans' Affairs

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S. HRG. 112–683

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THE FISCAL YEAR 2013 BUDGET FOR VETERANS' PROGRAMS

WEDNESDAY, FEBRUARY 29, 2012

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., in room 418, Russell Senate Office Building, Hon. Patty Murray, Chairman of the Committee, presiding.

Present: Senators Murray, Akaka, Brown of Ohio, Tester, Begich, Burr, Isakson, Johanns, Brown of Massachusetts, Moran, and Boozman.

STATEMENT OF HON. PATTY MURRAY, CHAIRMAN, U.S. SENATOR FROM WASHINGTON

Chairman MURRAY. Good morning and welcome to this morning's hearing on the Fiscal Year 2013 Budgets and the Fiscal Year 2014 Advanced Appropriations Request for the Department of Veterans Affairs.

I want to welcome all of our panelists today. I really appreciate you coming and helping us work our way through these critical issues for our veterans.

You know, as I do most weeks when I am home, last week I convened a roundtable discussion with veterans from across my homestate of Washington. I heard from the very men and women whose lives this budget is actually going to touch.

While some of the veterans, as always, praised the care and access they were receiving from the VA, many of them did lay out concerns that must be addressed in this budget and in future budgets.

I heard from veterans who still face unacceptably long wait times for mental health care, are still not getting the type of mental health care that they need in their own community. I heard from women veterans who are struggling to receive specialized care, and I heard from veterans who are just really fed up with the dysfunction of the claims system.

I also heard from veterans who still find themselves confronted by obstacles to employment and who told me they are even afraid to write the word "veteran" on their job application because of the stigma that they believe employers today attached to that.

Last year's passage of the VOW Hire Heroes Act was a great first step in tackling these problems and the high rate of veteran unemployment, but there is a lot of work left to be done.

As I am sure Secretary Shinseki will talk about, now is the time to take advantage of the public-private partnerships and the sea of goodwill that exists in corporate America toward our veterans today, but doing so will also require beating back misinformation about the invisible wounds of war.

I am pleased that the Administration has shown real leadership in engaging private partners in this area, and I will continue to highlight the tremendous skills, leadership ability, and discipline that our veterans bring to the table.

I also look forward to learning more today about VA's involvement with the President's proposed Veterans' Job Corps. Any way that we can get our veterans both employed and more involved in bettering our communities is a program worthy of investment.

As everyone on this Committee knows: with the end of the war in Iraq and the coming withdrawal of troops from Afghanistan, the budget challenges will only continue for the VA.

Last year this Committee held a hearing to explore the long-term costs of war, and what is 100 percent clear is that we have an obligation that will continue long after the fighting is over.

As we review this budget, fulfilling our Nation's obligation to our veterans not only today but throughout the course of their lives must be our most pressing consideration.

Now, let me tell you that as a longtime Member of the Senate Budget Committee and as someone who has seen just how difficult this year's budget is for many other agencies, when this budget arrived on my desk I was very encouraged.

Given the current fiscal environment, the VA has done a good job putting together a budget that reflects a very real commitment to provide veterans with the care and benefits they have earned. So, thank you, Secretary Shinseki, for your efforts in doing that.

I also want to applaud VA's ongoing commitment to end homelessness. This is an area where you are making real strides, and I am encouraged to see that the Administration has again requested an increase in funding for homeless programs.

I am hopeful we will continue to see a significant effort to reduce the number of homeless veterans and prevent those who are at risk from becoming homeless, but I also believe the VA has some real work to do in the area of serving female homeless veterans.

While VA has done a good job putting together a budget that works to tackle the challenges that our veterans face, there is also clearly room for improvement.

For the third year in a row, VA has proposed cuts in spending for major construction and nonrecurring maintenance. These continued cuts are deeply troubling given last year was the first time VA's budget even outlined the Department's vision for a 10-year construction plan with a price tag that approached $65 billion.

Yet despite that plan, for the past 2 years VA has requested only a fraction of the amount that it needs. I am disappointed at the size of the gap between the funding needed to bring facilities up to date and the funding requested from the Congress.

In addition, this budget request proposes a series of initiatives intended to save money including better controls on contract health care, better strategies for contracting, and cutting administrative overhead.

I am pleased to see the VA recognizes the importance of efficiency, but I have some concerns with those proposals. A GAO report released on Monday showed many of these initiatives from last year's budget did not, in fact, generate the savings that the VA predicted.

I will review each of the initiatives in this budget with an open mind, but I want to be clear: our first priority—our obligation—must be to ensure that we are fulfilling and honoring our commitment to our veterans.

If the VA fails to meet the proposed cost-saving estimates, it will have to find a way to make up the difference so veterans do not end up paying the price.

Medical care collections is another area where VA has to do a better job of both predicting targets and collecting funds. It is impossible to build the budget on funding that is not collected.

Another area of concern to me is mental health care. At a hearing last year, the VA witnesses acknowledged they may, in fact, need more resources to meet the high demand for mental health care. I want a straightforward answer from the VA about their actual needs and whether the Department's proposed a 5-percent increase is enough.

Last year I asked the VA to conduct a survey of mental health providers that revealed significant shortcomings. VA proposed a plan to fix the problems, and they must complete those steps as scheduled. But the VA cannot stop with what was outlined in that initial plan. It must continue to work to find ways to make real and substantial improvements.

This year we will continue to be aggressive in our oversight of VA mental health care. Not every veteran will be affected by invisible wounds; but when a veteran has the courage to stand up and ask for help, the VA must be there every single time. The VA must be there with not only timely access to care but also the right type of care.

Challenges like PTSD or depression are natural responses to some of the most stressful experiences a person can have, and we will do everything possible to ensure that those affected by these illnesses can get the help, can get better, and get back to their lives.

Finally, like Chairman Miller and Senator Tester and others, I remain very concerned about the questions surrounding the effects of sequestration on veterans' health care. Throughout the Budget Control Act process that established sequestration, I made it very clear that including VA among those agencies that would receive automatic cuts is unacceptable and repeatedly made clear that this should not be the case.

And although I am confident that all veterans programs including health care will be protected in the event of sequestration, I want to make sure you know that I will not accept anything else. I believe our veterans deserve clarity on this issue; and if it cannot be provided today, I am going to continue to work to get it.

In fact, I have already asked the Government Accountability Office to issue a formal legal opinion to provide some resolution on this issue.

Secretary Shinseki, as you well know, budgets are a reflection of our values; and thanks to your work, this budget request demonstrates a strong commitment to our veterans. While we are in a position to make sure the VA has the increased funding it needs, we should also be mindful that the demand for services is going to continue to increase no matter the number of troops deployed.

I look forward to working with my colleagues on this Committee and on the Budget and Appropriations Committees on which I also sit and, of course, with Secretary Shinseki and his entire team and the leaders from the veterans' community to make sure that we keep this long-term commitment.

So, I thank all of you for being here today and my Committee members, and with that I will turn to our Ranking Member, Senator Burr, for his opening statement.

STATEMENT OF HON. RICHARD BURR, RANKING MEMBER, U.S. SENATOR FROM NORTH CAROLINA

Senator BURR. Thank you, Madam Chairman.

Mr. Secretary, welcome. Welcome to your leadership team and welcome to the veterans' service organizations who are here this morning.

We are here today to review the President's budget request for the Department of Veterans Affairs for fiscal year 2013, which includes a 4½ percent increase in discretionary spending.

I continue to believe that it is important that we provide adequate funding so that veterans of all generations will be able to receive the benefits and services they have earned and deserved without hassles or delays, but we also need to analyze the budget request to ensure that we spend the taxpayers money wisely and more importantly that the funding will actually lead to better outcomes for veterans, their families, and their survivors. As we will discuss today, I have questions about whether that is the case for several areas of today's budget.

To start with, the budget for mental health care includes an advanced appropriations request for fiscal year 2014 of $6.4 billion. If adopted, it will represent a 4 percent increase over fiscal year 2013 and a 66 percent increase over the fiscal year 2008 level.

But at hearings last year, the Committee heard about the devastating struggles some veterans face when trying to get mental health treatment they need from the VA.

In fact, VA's survey of its mental health providers last year was pretty clear on the problem. Seventy percent survey respondents indicated they did not have enough mental health staff to meet the current demand for care. Forty-five percent indicated that lack of off-hours appointments is a barrier to care, and 51 percent said it took 30 days or more for a veteran to be seen for a specialty appointment such as Post Traumatic Stress Disorder.

Clearly, this is an instance where increased funding has not translated to better services for veterans. Today I hope we will get a better understanding of how VA plans to address these issues, how the requested funding would be used, and whether it may be time for VA to start looking outside the box to find solutions to the barriers veterans face in assessing this needed care.

Another area of concern is the backlog of disability claims, a pretty common discussion we have in this Committee. This budget requests a 41-percent increase in staff since 2008, but let us look at what has happened during that time.

The number of claims pending at the end of the year has more than doubled. The average number of days to complete a claim has increased by 26 percent. The quality of decisions has trended down and is now below 84 percent. According to one performance measure, there has been a 16-percent decline in the number of claims completed annually by employees.

Productivity. The appeals resolution time has increased from 645 days to 747 days, and VA decided hundreds of thousands less claims than it received.

With statistics like these, it must be a priority to ensure the initiatives the VA is pursuing to get the situation under control will actually be effective so that veterans, their families, and their survivors receive timely, quality decisions when they seek benefits from the VA.

Another area of the budget I would like to briefly mentioned is the legislative proposal to spend $1 billion over 5 years on the Veterans' Jobs Corps programs. While I believe it is important that we help our veterans find meaningful work, I am interested to learn how VA would suggest paying for this program and about how it would be structured. So, I hope that VA will be able to provide us with more details about the proposed program today.

Madam Chairman, the final item I want to highlight before I turn it back to you is the continued increase in staff at the VA Central Office and quite honestly at the VISN level. For example, since fiscal year 2008 the staff of the VA Central Office has grown by close to 40 percent and the Office of Human Resources and Administration has seen an 80-percent increase over the same period. Also the staff at the VISN headquarters has increased by 52 percent between 2008 and 2011.

I think we need to ask serious questions about whether this increase in staffing directly benefit our Nation's veterans, whether these employees are essential to delivering services to the veterans who use the VA system, and whether any of the funds could be put to better use.

The bottom line is that particularly in this time of record deficits, we need to ensure that when we spend the limited money as we have we do it wisely and that we make certain that the veterans are the ones that receive the benefits and services that have been earned and deserved.

The trend lines are troubling to me. They should be troubling to this Committee and they should be troubling, quite frankly, to the VA. I will focus much of my attention on those today in questions to the Secretary and to his leadership team.

I thank the Chair.

Chairman MURRAY. Thank you, Senator Burr.

We will now turn to our Senators for opening remarks in order of appearance. Senator Akaka, we will start with you.

**STATEMENT OF HON. DANIEL K. AKAKA,
U.S. SENATOR FROM HAWAII**

Senator AKAKA. Thank you very much, Madam Chairman, and I want to say Aloha to Secretary Shinseki and his leadership staff at the VA. I want to thank all of you for your service to veterans and, of course, to our country.

I do not need to tell you what you have been hearing that Secretary Shinseki and the leadership staff has been improving the services because claims have dropped and that is an indication of the care and treatment which is our duty to provide to veterans that is something that we must continually strive to improve, and you have been doing that.

I am encouraged to see that the total budget request for VA was $13 billion above last year. I know we have budgetary constraints, but we owe it to our veterans who have sacrificed for our country, and you have planned and are moving along and have been progressing about meeting those needs.

I am glad to see increases in budget requests for mental health, suicide prevention, and Iraq and Afghanistan veterans' programs. I am also encouraged by major increases in funding for homeless vets and women's vets programs.

While budget increases provide opportunities, we all know that these resources must be utilized with thought and efficiency in order to best serve our veterans and their families.

As the Defense Department continues to reduce its participation in overseas contingency operations and more veterans come home to their families, VA's capacity to treat veterans is sure to be tested even more.

Mr. Secretary, we have talked about this, and I know that you are doing all you can to prepare for the anticipated growth in the number of veterans seeking VA services.

Secretary Shinseki, I am also very pleased to see that an important project for Hawaii's veterans which I have championed for years is in the budget: a much needed care facility in West Kahului that would alleviate some of the overcrowding at Spark Matsunaga Medical Center at Tripler Hospital. This proposed lease will certainly help to meet the needs of our veterans in Hawaii.

Mr. Secretary, I have been impressed with all that you and your team have been able to accomplish in the past 3 years. You have made tremendous strides to improve mental health care, suicide prevention, homelessness, and help veterans find jobs among other accomplishments.

However, we know that there are areas where we can improve the care and services provided to our veterans that they earned and the most certainly deserve.

So, I look forward to hearing your testimony today, Mr. Secretary, and continuing to work with my colleagues and VA to help provide the best care we can to our veterans and their families.

Thank you very much, Madam Chairman.

Chairman MURRAY. Thank you very much.

Senator Johanns.

STATEMENT OF HON. MIKE JOHANNS,
U.S. SENATOR FROM NEVADA

Senator JOHANNS. Madam Chair, Ranking Member Burr, thanks for holding the very, very important hearing.

Let me just start out and offer an observation, Mr. Secretary. First of all, I want to say thank you for stopping by my office a week or 10 days ago. As you know, over the past few years while I have been here and you have been in your position, we have had an opportunity to meet on a number of occasions, and I have always appreciated that.

I come away from those meetings absolutely convinced that you and your team have the best interests of vets in your heart and you are trying to do everything you can to deal with all of the problems that we are going to mention today.

But one of the things that we have found in working with vets in my Senate office, and it is the reality of the Veterans Administration, is every veteran has an individual problem that is not easily solved with one sweeping policy approach or whatever.

We have found that we really have to sit down with each vet and talk to them and help them work through that problem. Even in my Senate office, we have found that we have to staffup to do that. I have more people in my Senate offices working on the veterans' caseload than any other caseload that we work on. So, it is just part of what we have to do.

I think we have a great perspective on what the veterans need, and you are always willing to bring that to the fore. I have been in your position before and the complexities of what you are doing are the norm.

So, I want to start out on a positive note and just tell you I think your heart is in the right direction, but I do think as we look at the metrics and the progress we are making, it is important to see what is working and what is not working and just simply acknowledge that and try to figure out, is there something we are missing here?

I also wanted to just mention briefly, and I will not dwell on this long but it is worth a mention to me. As you know, like other areas in the country we are struggling with a VA hospital that was built decades ago. Notwithstanding the kind of heroic efforts of the staff there and the doctors and the nurses and the administrative personnel, it is just a very, very difficult situation.

We are very pleased that we are on the priority list, and we are making our way to a point at which where we hope we can solve that problem and replace the facility. I think today we are like 18, if I am not mistaken. So, I am aware of the fact that it just does take a while.

We are hoping to work with you and your staff. Maybe there are some things we can do. There is a serious parking problem. It is right in the middle of Omaha, and so, maybe there are some things we can do to move the project forward.

I will wrap up with one last thought. We are seeing some areas of improvement that I wanted to mention, again hoping to keep this on a note of, look, you are doing some things that I think are making a difference.

The first is in the processing of Post-9/11 GI Bill benefits. In 2011 we at least, I do not know about other Senate offices, we at least received no complaints about delays or problems with education benefits. I do not know what we are doing with education benefits but at least from our experience something is working.

Whatever model, if I could somehow be transferred to the disability claims, and I appreciate they are much more complicated, but that seems to be working. You have had to ramp that up pretty significantly.

So, I am hoping I can hear some thoughts and maybe there are some ideas that would work in other areas of the VA system.

We are also hearing veterans express to us that the expanded access to information via that eBenefits system is something that they appreciate, they feel good about. I think all of us have been optimistic and hopeful, maybe that is a better way of putting it, hopeful that that eBenefits system would pay benefits. We think it is.

We think as veterans are getting more used to that it is paying some dividends and hopefully saving some staff time because people can get information or whatever they are needing there.

I will just wrap up, and again thank you, Madam Chair, I do appreciate the opportunity to be here.

Thank you, you and your whole team for the work that they are doing. My hope is that we can advance the cause because there is so much more to be done. Thank you.

Chairman MURRAY. Thank you, Senator Johanns.

Senator Brown of Ohio.

STATEMENT OF HON. SHERROD BROWN, U.S. SENATOR FROM OHIO

Senator BROWN OF OHIO. Thank you, Chairman Murray. I appreciate your leadership on veterans' issues.

Thank you, Secretary Shinseki, and all of you who dedicate a big part of your lives. It is nice to see you again. Thank you for coming to Ohio, those of you that have, and the service that you provide for veterans in my State and for all of us.

It is a good budget. It shows a strong commitment to veterans. I think when you look at what the advanced appropriations mark is, a $40 billion, the request with the advanced appropriations with the $13 billion increase it is saying the right thing for people who clearly have earned it. It reflects the understanding that we all have about service to country.

I applaud the VA for its investments in eliminating the disability claims backlog. We are all, of course, still very concerned about that as Senator Johanns said.

We still hear horror stories of 12-, 18-, and 24-month delays. We should, of course, never tolerate them, and I know your views about that, Secretary Shinseki. I know that we need to continue to push and with better trained staff and improvements in electronic and other processing efficiencies.

Also, on a similar note, the disability rating system clearly needs substantial improvement. A bum knee in Charlotte should be treated the same as a bum knee in Cincinnati. The backlog in disability ratings is in many ways related: fixing both at the same time

makes sense, and I know your commitment to wanting to do that, and we expect to see results as we move forward.

I am aware, too, of the funds in this budget to train outreach coordinators and operate targeted clinics and provide other services specific to particularly rural veterans but everywhere who simply do not know enough about veterans services.

People from the VA, officials from the VA joined me in a field hearing in Appalachia, two areas of Ohio, Appalachia Ohio, one in 2007 and one in 2010. We talked about everything from applying for benefits, and veterans benefits to the earned-income tax credit. So many low-income veterans do not know enough about any of those services.

The fact that today I believe there are 30 community-based outpatient clinics, CBOCs, in Ohio speak to your commitment to going everywhere to reach veterans not just in the VA centers in Cincinnati and Chillicothe and Cleveland but well beyond that. I am very appreciative of that, but the outreach efforts obviously need to be stepped up, targeted at not just the demographic of rural Appalachia, but certainly other places too.

My last point. Our main concern about the Department's outsourcing of more and more work. The quality of outsourced work is often subpar. This whole political view that outsourcing, you know, whether it is selling turnpikes or selling prisons or outsourcing part of the military, the work often is subpar.

The cost savings are usually illusory and often the costs are significantly greater we learn from outsourcing. I mean, the contractors give political campaign contributions. I am not saying you are any part of that to be sure, but that happens too often.

We go places with outsourcing that does not lead to good government. We also—I think many contractors lack the dedicated service mentality, if you will, of career civil servants. It is always popular to beat up Federal employees and State employees and all of that. We have gone through that politically in State, after State, after State in this country and in the Federal Government.

I like the idea. I think an individual's motivation to serve our veterans as a career leads to better serve contrasts sometimes to services provided by companies that are motivated by profits, and some of the most dedicated people that I have ever met provide service to veterans and have made that their career. They could make more money somewhere else but they want to serve.

And this whole idea that outsourcing saves money, enhances quality is pretty ill founded. The VA and our veterans cannot simply be viewed as just another client. We see this at the very basic level of services in places like Dayton, and I appreciate very much the Secretary's focus on fixing other problems in Dayton.

But where laundry was outsourced, workers tell me that sometimes it does not come back clean, and what is the point of outsourcing if that happens?

If the VA continues to outsource more and more activities, at some point are we going to reach the point where the VA is a health insurance provider rather than a health care provider, and we never should get close to that line.

On a lighter note, thank you for earlier this week—I guess today is Wednesday, on Monday was the first day, and I was lucky

enough to be there at the Parma Community-Based Outpatient Clinic when the VA, for reasons that I disagreed but probably needed to shutdown the VA hospital in Brecksville. Part of the deal was that they would put this community-based outpatient clinic, this CBOC, in Parma. It is terrific. It was crowded the first day. People will use it. It serves an important population, and I thank you for that.

Chairman MURRAY. Thank you very much.

Senator Brown of Massachusetts.

STATEMENT OF HON. SCOTT P. BROWN, U.S. SENATOR FROM MASSACHUSETTS

Senator BROWN OF MASSACHUSETTS. Thank you, Madam Chair.

I want to hear the testimony of the folks. I will be very brief. I agree with Senator Burr on the job issues and the fact that we are going to be spending a lot of money, happy to do it. I want to see how it is going to be paid for, but also importantly see if there is any duplication overlap. There seems to be a lot of things happening in that field.

When we have these types of issues, we usually throw everything against the wall and see what sticks. I want to make sure that we do it efficiently. We do not just keep throwing money out there but actually that we have programs. If they are working, that is improving; if they are not, let us get rid of them.

I am concerned still about obviously the long timeframe in filing claims. I will say I am very pleased with what is happening in Massachusetts with the new blood out there and new people helping and really seem energized. It helps that we are in the same building and we have had some great success and I have made that public in our veterans' hearing that we had on this very issue, and I know the big elephant in the room is the one million returning veterans and the obligations we have to keep them and get them whole, and I am thankful.

I know you have already met with Secretary Panetta to discuss that VA/DOD mission to make sure that we do not just have a million new veterans coming.

If they are going to be released, they need to be released in a thoughtful, methodical manner so you are not overwhelmed and really just in so deep you cannot get out.

So, I will just stop with that. I look forward to hearing the testimony. I am going to be going to the floor, Madam Chair. I have to speak, but then I will be back. Thank you.

Chairman MURRAY. Senator Isakson.

STATEMENT OF HON. JOHNNY ISAKSON, U.S. SENATOR FROM GEORGIA

Senator ISAKSON. I, too, will be very brief because I am anxious to hear from each of you. But first of all, Secretary, thank you for taking the time to come to my office 2 weeks ago.

Second, I have two pieces of good news. One is on the jobs front, and you probably have heard about this; but if you have not, I wanted to make you aware.

Lewis Jordan, who was the founder of ValuJet and AirTran, which is now Southwest, has created a foundation called Gratitude

America, which is a web-based platform to match job needs with veterans; and it has the component that links them with training for the jobs.

So, it makes the full circle where, if a veteran is looking for a job, he can search it on the Internet. If he finds a job he likes but he is not qualified, it matches him with the closest training facility where he can get the training.

I think it is a great idea, and it is something that is very important. I appreciate Lewis doing that and I thought you would want to know.

The second is I want to compliment Director Goldman at the Dublin VA. I have spent a day in Dublin, GA, last week. He serves a third of the State—51 counties—and he is trying to partner with the General, the Commander of Robins Air Force Base to merge the VA clinics in Perry and Macon, GA, with the base DOD health care on the base to utilize the facilities, advantage of having all the imaging equipment and everything already on the active-duty base and not have to have redundant cost in staffing to other clinics, which I think is a great idea to make better health care available but also at a lower cost to the Veterans Administration and the taxpayers.

I wanted to bring those two pieces of good news to your attention. Thank you for what you do, and thank you for being here.

Chairman MURRAY. Thank you.

Senator Boozman.

STATEMENT OF HON. JOHN BOOZMAN, U.S. SENATOR FROM ARKANSAS

Senator BOOZMAN. Thank you, Madam Chair, and again very quickly I just want to thank the Secretary for being here and the team that he assembled, for your hard work.

Senator Brown mentioned that, you know, that there are a lot of individuals in the VA that are there because they want to be and could have other opportunities, and certainly you are in that category. You have led soldiers and now you are serving veterans and so we really do appreciate that very, very much.

The other thing I would say is, as Senator Isakson mentioned, I do appreciate the fact that you are very willing to work with Congress and very approachable, you and your staff; and so that is something that is appreciated.

So, we appreciate all that you guys have done in your past and are looking forward to it your doing a bunch in the future.

I yield back, Madam Chair.

Chairman MURRAY. Thank you very much.

With that I want to again welcome Secretary Shinseki. Thank you for coming here today to give your perspective on the Department's fiscal year 2013 budget and the fiscal year 2014 advanced appropriation request.

Secretary Shinseki is accompanied today by Steve Muro, Under Secretary for Memorial Affairs; Allison Hickey, Under Secretary for Benefits; Dr. Robert Petzel, Under Secretary for Health; and we also have Todd Grams, Executive in Charge of the Office of Management and Chief Financial Officer; and Roger Baker, Assistant Secretary for Information and Technology.

Thank you all for joining us today.

Secretary Shinseki, your remarks will, of course, appear in the record, but we welcome your opening statement.

STATEMENT OF HON. ERIC K. SHINSEKI, SECRETARY OF VETERANS AFFAIRS; ACCOMPANIED BY HON. ROBERT A. PETZEL, MD, UNDER SECRETARY FOR HEALTH; HON. ALLISON A. HICKEY, UNDER SECRETARY FOR BENEFITS; HON. STEVE L. MURO, UNDER SECRETARY FOR MEMORIAL AFFAIRS; HON. ROGER W. BAKER, ASSISTANT SECRETARY FOR INFORMATION AND TECHNOLOGY; AND W. TODD GRAMS, EXECUTIVE IN CHARGE FOR THE OFFICE OF MANAGEMENT AND CHIEF FINANCIAL OFFICER

Secretary SHINSEKI. Thank you, Madam Chairman, Ranking Member Burr, distinguished Members of the Senate Committee on Veterans' Affairs, thank you again. I look forward to these. This is an opportunity to extend the dialog we have in other fora, but thanks for this opportunity to present, as the Chairman said, the President's 2013 Budget and 2014 Advance Appropriations Requests for VA.

This Committee has a long history of strong support for our Nation's veterans, and I can speak to that first hand having worked personally the past three budgets with you.

The President has demonstrated his own respect and sense of obligation for our 22 million veterans by sending the Congress once again another strong budget request for VA, and I thank the members for your unwavering commitment, and I am here to answer your questions but also seek your support on this budget request.

I would also like to acknowledge the representatives from our veterans service organizations who are here today. I would tell you as we develop our budgets, their insights, their experience is helpful as we put together our arguments for resources and as we strive to continuously improve our programs.

Madam Chairman, thanks for introducing the members of the panel. I have a written statement which I ask to be submitted for the record.

Chairman MURRAY. Without objection.

Secretary SHINSEKI. This hearing occurs at an important moment in our Nation's history, not the only one. There have been others that I could refer to. I am old enough to have experienced our return from Vietnam and to have witnessed personally the end of the cold war.

We are again in another period of transition, an important one. Our troops have returned home from Iraq and their numbers in Afghanistan are likely to decline over time; and history suggests, as the Chair indicated, VA's requirements from these two operational missions will continue to grow for sometime long after the last combatant leaves Afghanistan, maybe as much as a decade, maybe even more.

We must provide access to quality care, timely benefits and services and job opportunities for every generation of veterans; and the generation at hand is the one that comes home today from Iraq and Afghanistan.

In the next 5 years, more than a million veterans are expected to leave military service. This generation relies on VA at unprecedented levels. Through September 2011, of approximately 1.4 million veterans who deployed and returned from operations Enduring Freedom and Iraqi Freedom, 67 percent have used some VA benefit or service in some way, a far higher percentage than those from previous wars.

The 2013 budget request would allow us to fulfill the requirements of our mission. Health *Care for 8.8 million enrolled veterans, compensation and pension benefits for nearly 4.2 million veterans, life insurance covering 7.1 million active duty servicemembers and enrolled veterans at a 95-percent customer satisfaction rating, educational assistance for over a million veterans and family members on over 6,500 campuses, home mortgages and veteran loans with the Nation's lowest foreclosure rates, and burial honors for nearly 120,000 heroes and eligible family members in our 131 National Cemeteries, befitting their service to our Nation.

This 2013 budget request continues the momentum in our three priorities that you have heard me speak about over the past 3 years. Increasing access to care, benefits and services; eliminating the claims backlog; and ending veterans' homelessness through effective, efficient, accountable use of the resources you provide.

Access encompasses VA's facilities, programs, and technology. It is a broad term but there is a lot it encompasses. This 2013 budget request allows VA to continue improving access by opening new or improved facilities closer to where veterans live and providing telehealth and telemedicine linkages, with connectivity where it is needed, in veterans homes.

Also VA is fundamentally transforming veterans access to benefits through a new electronic tool called the Veterans Relationship Management System. This is an effort to improve our telephone service.

By collaborating with DOD to turn the current Assistance Program that we both share into an outcomes-based training and education program that fully prepares departing servicemembers for the next phase of their lives; and by establishing a National Cemetery presence in eight rural areas and better serving rural and women veterans. I am happy to provide details later.

We expect that more than 1 million veterans will leave the military over the next 5 years, potentially all will enroll in VA. Over 600,000 of them, based on our historical trend, will likely seek care, benefits, and services from VA in the out years.

Regarding the backlog, from what we know now, fiscal year 2013 will be the first year in a long time in which our claims production going out the door will exceed the number of incoming claims; and the paperless initiative we have been building for the past 2 years, an automation tool, becomes critical to reversing backlog growth and increasing quality. We must not hesitate. Stability in IT funding is critical to our success.

Homelessness. From January 2010 to January 2011 alone, the estimated number of homeless veterans declined by 12 percent. We have created momentum in the homeless program. Much remains to be done to end veterans homelessness by 2015 and the 2013 budget is a presentation of how we continue to do that.

We are now developing a dynamic homeless veterans registry. I think you appreciate that much of what we understand about homelessness is an estimate of real numbers. We are not able to count everyone out there but it is a statistically valid process.

In the meantime, over the past 3 years, we have been building a registry of former and current veterans by name so we know who they are, what their issues are, where they reside, and whether they are migratory and move from one VA footprint to the next.

So, as we think about adjusting the footprint based on what we see day-to-day, we want to be careful that we are not doing something that ignores maybe an issue that is going to require help.

So, building a veterans registry today with over 400,000 names of current and formerly homeless veterans allowa us to better see, track and understand the real causes of veterans homelessness. In the years ahead, we think this information will not only help us more effectively prevent it—that is where we are headed—not just for veterans, but perhaps for other communities as well where we have partnered in taking on the homeless issue.

We look to develop more visibility of the at-risk veteran population in order to prevent veterans from falling into homelessness, and this budget supports that plan.

So, Madam Chairman and Members of the Committee, we are committed to the responsible use of the resources you provide and the resources we seek in the 2013 budget. I know that has been a question some of you have posed; but for both the 2013 budget and 2014 advance appropriations requests, we are committed to the responsible use.

Again thank you for this opportunity to appear before this Committee.

[The prepared statement of Secretary Shinseki follows:]

PREPARED STATEMENT OF HON. ERIC K. SHINSEKI, SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS

Chairman Murray, Ranking Member Burr, Distinguished Members of the Senate Committee on Veterans' Affairs: Thank you for the opportunity to present the President's 2013 Budget and 2014 advance appropriations requests for the Department of Veterans Affairs (VA). For the past three budget requests, the Congress has supported the very high priority that the President has placed on funding for programs that provide care and benefits for our Nation's 22 million Veterans and their families. This submission seeks your support of the President's continued high priority support for Veterans who have earned this Nation's respect and the benefits and services we provide.

We meet at an historic moment for our Nation's Armed Forces, as they turn the page on a decade of war. Recently, the President outlined a major shift in the Nation's strategic military objectives—with a goal of a more agile, more versatile, more responsive military focused on the future. The President also outlined another important objective—keeping faith with those who serve as they depart the military and return to civilian life. As these newest Veterans return home, we must anticipate their transitions by readying the care, the benefits, and the job opportunities they have earned and they will need to smoothly and successfully make this transition.

The President's 2013 Budget for VA requests $140.3 billion—comprised of $64 billion in discretionary funds, including medical care collections, and $76.3 billion in mandatory funds. The discretionary budget request represents an increase of $2.7 billion, or 4.5 percent, over the 2012 enacted level. Our 2013 budget will allow the Department to operate the largest integrated healthcare system in the country, with more than 8.8 million Veterans enrolled to receive healthcare; the eighth largest life insurance provider covering both active duty members as well as enrolled Veterans; a sizable education assistance program serving over 1 million participants; a home mortgage service that guarantees over 1.5 million Veterans' home loans with the

lowest foreclosure rate in the Nation; and the largest national cemetery system that continues to lead the country as a high-performing organization—for the fourth time in a 10-year period besting the Nation's top corporations and other Federal agencies in an independent survey of customer satisfaction. In 2013, VA national cemeteries will inter about 120,000 Veterans or their family members.

The Department of Veterans Affairs fulfills its obligation to Veterans, their families, and survivors of the fallen by living a set of core values that define who we are as an organization: "I CARE"—Integrity, Commitment, Advocacy, Respect, and Excellence—cannot be converted into dollars in a budget. But Veterans trust that we will live these values, every day, in our medical facilities, our benefits offices, and our national cemeteries. And where we find evidence of a lack of commitment to our values, we will aggressively correct them by re-training employees or, where required, removal. We provide the very best in high quality and safe care and compassionate services, delivered by more than 316,000 employees, who are supported by the generosity of 140,000 volunteers.

STEWARDSHIP OF RESOURCES

Safeguarding the resources—people, money, time—entrusted to us by the Congress, managing them effectively and deploying them judiciously, is a fundamental duty at VA. Effective stewardship requires an unflagging commitment to apply budgetary resources efficiently, using clear accounting rules and procedures, to safeguard, train, motivate, and hold our workforce accountable; and to assure the proper use of time in serving Veterans on behalf of the American people.

During the audit of the Department's fiscal year 2010 financial statement, VA's independent auditor certified that we had remediated all three of our remaining material weaknesses in financial management, which had been carried forward for over a decade. In terms of internal controls and fiscal integrity, this was a major accomplishment. We have also dramatically reduced the number of significant financial deficiencies since 2008, from sixteen to two.

Another example of VA's effective stewardship of resources is the Project Management Accountability System (PMAS) developed by our Office of Information Technology. PMAS requires Information Technology (IT) projects to establish milestones to deliver new functionality to its customers every six months. Now entering its third year, PMAS continues to instill accountability and discipline in our IT organization. In 2011, PMAS achieved successful delivery of 89 percent of all IT project milestones. VA managed 101 IT projects during the year, establishing a total of 237 milestones and successfully executing 212 of them. Of the 25 IT projects that missed their delivery milestone date, more than half delivered within the next 14 days. Ensuring IT projects meet established milestones means that savings and delivery of solutions are achieved throughout development, and that Veterans reap improvements sooner. By implementing PMAS, we have achieved at least $200 million in cost avoidance by stopping or improving the management of 45 projects.

VA's stewardship of resources continues with the expansion of our ASPIRE dashboard to the Veterans Benefits Administration (VBA). Originally established in 2010 for the Veterans Health Administration (VHA), ASPIRE publicly provides quality goals and performance measures of VA healthcare. The success of this approach was reflected in its contribution to VHA's receipt of the Annual Leadership Award from the American College of Medical Quality. On June 30, 2011, VBA established an ASPIRE Web site at http://www.vba.va.gov/reports/aspiremap.asp for aspirational goals and monthly progress for 46 performance metrics across six business lines. This new effort expands the Department's commitment to unprecedented public transparency by sharing performance and productivity data in the delivery of Veterans' benefits, including compensation, pension, vocational rehabilitation and employment, education, home loans, and insurance.

Through the effective management of our acquisition resources, VA achieves positive results for Veteran-owned small businesses. VA leads the Federal Government in contracting with Service-Disabled, Veteran-Owned Small Businesses (SDVOSB). In 2011, more than 18 percent of all VA procurements were awarded to SDVOSBs, exceeding our internal goal of 10 percent and far exceeding the governmentwide goal of three percent.

Finally, VA's stewardship achieved savings in several other areas across the Department. The National Cemetery Administration (NCA) assumed responsibility in 2009 for processing First Notices of Death to terminate compensation benefits to deceased Veterans. This allows the timely notification to next-of-kin of potential survivor benefits. Since that time NCA has avoided possible collection action by discontinuing $100.3 million in benefit payments. In addition, we implemented the use of Medicare pricing methodologies at VHA to pay for certain outpatient services in

2011, resulting in savings of over $160 million without negatively impacting Veteran care and with improved consistency in billing and payment.

VETERANS JOB CORPS

In his State of the Union address, President Obama called for a new Veterans Job Corps initiative to help our returning Veterans find pathways to civilian employment. The budget includes $1 billion to develop a Veterans Job Corps conservation program that will put up to 20,000 Veterans back to work over the next five years protecting and rebuilding America. Veterans will restore our great outdoors by providing visitor programs, restoring habitat, protecting cultural resources, eradicating invasive species, and operating facilities. Additionally, Veterans will help make a significant dent in the deferred maintenance of our Federal, State, local, and tribal lands including jobs that will repair and rehabilitate trails, roads, levees, recreation facilities and other assets. The program will serve all Veterans, but will have a particular focus on Post-9/11 Veterans.

MULTI-YEAR PLAN FOR MEDICAL CARE BUDGET

Under the Veterans Health Care Budget Reform and Transparency Act of 2009, which we are grateful to Congress for passing; VA submits its medical care budget that includes an advance appropriations request in each Budget submission. This legislation requires VA to plan its medical care budget using a multi-year approach. This approach ensures that VA requirements are reviewed and updated based on the most recent data available and actual program experience.

The 2013 budget request for VA medical care appropriations is $52.7 billion, an increase of 4.1 percent over the 2012 enacted appropriation of $50.6 billion. This request is an increase of $165 million above the 2013 advance appropriations enacted by Congress in 2011. Based on updated 2013 estimates largely derived from the Enrollee Health Care Projection Model, the requested amount would also allow VA to increase funding in programs to eliminate Veteran homelessness, fully fund the implementation of the Caregivers and Veterans Omnibus Health Services Act, support activation requirements for new or replacement medical facilities, and invest in strategic initiatives to improve the quality and accessibility of VA healthcare programs. Our multi-year budget plan continues to assume $500 million in unobligated balances from 2012 that will carryover and remain available for obligation in 2013—consistent with the 2012 budget submitted to Congress.

The 2014 request for medical care advance appropriations is $54.5 billion, an increase of $1.8 billion, or 3.3 percent, over the 2013 budget request.

PRIORITY GOALS

Our Nation is in a period of transition. As the tide of war recedes, we have the opportunity, and the responsibility, to anticipate the needs of returning Veterans. History shows that the costs of war will continue to grow in VA for a decade or more after the operational missions in Iraq and Afghanistan have ended. In the next 5 years, another one million Veterans are expected to leave military service. Our data shows that the newest of our country's Veterans are relying on VA at unprecedented levels. Through September 30, 2011, of the approximately 1.4 million living Veterans who were deployed overseas to support Operation Enduring Freedom and Operation Iraqi Freedom, at least 67 percent have used some VA benefit or service.

VA's three priorities—to expand access to benefits and services, eliminate the claims backlog, and end Veteran homelessness—anticipate these changes and identify the performance levels required to meet emerging needs. The 2013 Budget builds upon our multi-year effort to achieve VA's priority goals through effective, efficient, and accountable program implementation.

EXPANDING ACCESS TO BENEFITS AND SERVICES

Expanding access for Veterans is much more than boosting the number of Veterans walking in the front door of a VA facility. Access is a three-pronged effort that encompasses VA's facilities, programs, and technology. Today, expanding access includes taking the facility to the Veteran—be it virtually through telehealth, by sending Mobile Vet Centers to rural areas where services are sparse, or by using social media sites like Facebook, Twitter, and YouTube to connect Veterans to VA benefits and facilities. Expanding access also means finding new ways to break down artificial barriers so that Veterans are aware of and can gain access to VA services and benefits. Technology is the great enabler of all VA efforts. IT is not a siloed segment of the budget, providing just computers and monitors, but rather the vehicle by

which VA is able to extend the reach of its healthcare to rural America, process benefits more quickly, and provide enhanced service to Veterans and their families.

The 2013 budget request includes $119.4 million for the Veterans Relationship Management (VRM) initiative, which is fundamentally transforming Veterans' access to VA benefits and services by empowering VA clients with new self-service tools. VA has already made major strides under this initiative. VRM established a single queue for VBA's National Call Centers ensuring calls are routed to the next available agent, regardless of geography. Call-recording functionality was implemented that allows agents to review calls for technical accuracy and client contact behaviors. VA recently deployed "Virtual Hold ASAP call-back" technology. During periods of high call volumes, callers can leave their name and phone number instead of waiting on hold for the next available operator, and the system automatically calls them back in turn. The Virtual Hold system has made nearly 600,000 return calls since November 2011. The acceptance rate for callers is 46 percent, exceeding the industry standard of 30 percent, and our successful re-connect rate is 92 percent. Since launching Virtual Hold, the National Call Centers have seen a 15 percent reduction in the dropped-call rate. In December 2011, VA deployed "Virtual Hold Scheduled call-back" technology, which allows callers to make an appointment with us to call them at a specific time. Since deployment, over 185,000 scheduled call-backs have already been processed.

In December, VA deployed a pilot of its new "Unified Desktop" technology. This initiative will provide National Call Center agents with a single, unified view of VA clients' military, demographic, and contact information and their benefits eligibility and claims status through one integrated application, versus the current process that requires VA agents to access up to 13 different applications. This will help ensure our Veterans receive comprehensive and accurate responses.

Key to expansion of access is the eBenefits portal—one of our critical VRM initiatives. eBenefits is a VA/DOD initiative that consolidates information regarding benefits and services and includes a suite of on-line self-service capabilities for enrollment/application and utilization of benefits and services. eBenefits enrollment now exceeds 1.2 million users, and VA expects enrollment to exceed 2.5 million by the end of 2013. VA continues to expand the capabilities available through the eBenefits portal. Users can check the status of a claim or appeal, review the history of VA payments, request and download military personnel records, generate letters to verify their eligibility for Veterans' hiring preferences, secure a certificate of eligibility for a VA home loan, and numerous other benefit actions. In 2012, Servicemembers will complete their Servicemembers' Group Life Insurance applications and transactions through eBenefits. Also, 2012 enhancements will allow Veterans to view their scheduled VA medical appointments, file benefits claims online in a "Turbo Claim" like approach, and upload supporting claims information that feeds our paperless claims process. In 2013, funding supports enhanced self-service tools for the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) and VetSuccess programs, as well as the Veterans Online Application for enrolling in VA healthcare.

VA and the Department of Defense (DOD) have broken new ground in the development and implementation of the Integrated Disability Evaluation System (IDES). This system supporting the transition of wounded, ill, and injured Servicemembers is fully operational and available to Servicemembers as of October 1, 2011. Because of the complexity of these cases, the Veterans Benefits Administration devotes four times the level of staffing resources to processing IDES cases than claims from other Veterans. VA has reduced its claims processing time in IDES from 186 days in February 2011 to 104 days in December 2011. The 2013 budget requests an additional $13.2 million and 90 FTE to support IDES enhancements.

The DOD/VA team is further developing programs to enhance the transition of all Servicemembers to Veteran status. Together we are transforming the current Transition Assistance Program (TAP) from a series of discrete efforts to one that uses an outcome-based approach. This approach will be more integrated and, once complete will be mapped to the life cycle of every Servicemember, from recruitment through separation or retirement. In July 2011, VBA launched on-line TAP courseware, which provides the capability for Servicemembers to complete the course without attending the classroom session. VA and DOD also are collaborating on a policy for implementing mandatory TAP participation.

VA will improve access to VA services by opening new or improved facilities closer to where Veterans live. The 2013 medical care budget request includes $792 million to open new and renovated healthcare facilities, including resources to support the activation of four new hospitals in Orlando, Florida; Las Vegas, Nevada; New Orleans, Louisiana; and Denver, Colorado. These new VA medical centers are projected to serve 1.2 million enrolled Veterans when they are operational. This budget also

includes an initiative to establish a national cemetery presence in eight rural areas where the Veteran population is less than 25,000 within a 75-mile service area. In addition to expanding access at fixed locations, VA is deploying an additional 20 Mobile Vet Centers in 2012 to increase access to readjustment counseling services for Veterans and their families in rural and underserved communities across the country. These new specialty vehicles will expand the existing fleet of 50 Mobile Vet Centers already in service by 40 percent. In 2011, Mobile Vet Centers participated in more than 3,600 Federal, state, and locally sponsored Veteran-related events. More than 190,000 Veterans and family members made over 1.3 million visits to VA Vet Centers in 2011.

The Board of Veterans Appeals (BVA) leverages video conference technology to increase the capability of, and access to, video hearings to provide Veterans with more options for a hearing regarding their appeal. The VA is currently upgrading this video conference technology both at BVA and at VBA regional offices. In 2011, the number of video hearings increased from 3,979 to 4,355 or 9.4 percent. The Board is also working with VBA and VHA to allow video hearings to be held from more locations in the field, which will be more convenient for Veterans. Initially, the expanded video capability will be used to reduce the backlog of hearings and the time Veterans have to wait for them.

We are working harder than ever to reach out to women Veterans. Women represent about eight percent of the total Veteran population. In recent years, the number of women Veterans seeking healthcare has grown rapidly and it will continue to grow as more women enter military service. Women comprise nearly 15 percent of today's active duty military forces and 18 percent of National Guard and Reserves. For the estimated 337,000 women Veterans currently using the VA healthcare system, VA is improving their access to services and treatment facilities. The 2013 budget includes $403 million for the gender-specific healthcare needs of women Veterans, an increase of 17.5 percent over the 2012 level.

VHA regularly updates its standards for improving and measuring Veterans' access to medical care programs. In 2010, VHA implemented new wait time measures that assess performance meeting the new standard of providing medical appointments within 14 days of the desired date, replacing the previous 30-day desired-date standard. In 2011, 89 percent of medical care appointments for new patients occurred within 14 days of the desired date, an increase of 5 percentage points over the 2010 level of 84 percent. The President's request for 2013 ensures we are able to continue to improve our performance in providing this service.

Access improvements are central to VHAs new Patient-Aligned Care Teams (PACT) model. VA views appointments as a partnership. We are implementing a national initiative to reduce costly no-show appointments. Also, Veterans can manage appointments by visiting MyHealtheVet Web site, where they can view all of their pending appointments. In another effort to help Veterans make and keep appointments, VA is implementing a pilot program that offers child care to eligible Veterans seeking medical appointments at three VA medical centers in 2012 and 2013. The first of these facilities, the Buffalo VAMC, began providing services in October 2011. Each pilot site will be operated onsite by licensed childcare providers. Drop-in services will be offered free of charge to Veterans who are eligible for VA care and who are visiting a medical facility for an appointment.

VA is taking full advantage of technology to expand access to its medical centers. In 2008, VA established a presence on Facebook with a single Veterans Health Administration (VHA) page. In 2009, VA established the Post-9/11 GI Bill Facebook page to raise awareness about the implementation of this new benefit program. With over 39,000 subscribers ("or fans"), this page serves as our primary "real-time" tool to communicate GI Bill news and directly interact with our clients. VA also launched a general VBA benefits page, which describes all of our services. VBA posts to its followers seven days a week and is followed in 18 different countries and 15 different languages. In June 2011, VA outlined a Department-wide social media policy that provides guidelines for communicating with VA online. By November 2011, VA had established Facebook pages for all 152 of its medical centers. This event marks an important milestone in our effort to transform how the Department communicates with Veterans and provides them access to healthcare and benefits. By leveraging Facebook, VA continues to embrace transparency and engage Veterans in a two-way conversation. VA currently has over 345,000 combined Facebook "fans." As of January 2012, the Department's main Facebook page has over 154,000 fans and its medical centers have a combined following of over 69,000.

ELIMINATING THE CLAIMS BACKLOG

To transform VA for the benefit of Veterans, we must streamline the claims processing system and eliminate the claims backlog. We are vigorously pursuing a claims transformation plan that will adopt near-term innovations and break down stubborn obstacles to providing Veterans the benefits they have earned.

As we pursue a multi-focused approach to eliminate the claims backlog, workload in our disability compensation and pension programs continues to rise. VA has experienced a 48 percent increase in claims receipts since 2008, and we expect that the incoming claims volume will continue to increase by 4.2 percent in 2013, to 1,250,000 claims from 1,200,000 in 2012. At the same time, Veterans are claiming many more disabilities, with Iraq and Afghanistan Veterans claiming an average of 8.5 disabilities per claim—more than double the number of disabilities claimed by Veterans of earlier eras. As more than one million troops leave service over the next 5 years, we expect our claims workload to continue to rise for the foreseeable future. In 2013, our goal is to ensure that no more than 40 percent of the compensation and pension claims in the pending inventory are more than 125 days old. While too many Veterans will still be waiting too long for the benefits they have earned, it does represent a significant improvement in performance over the 2012 estimate of 60 percent of claims more than 125 days old, demonstrating that we are on the right path.

VA is attacking the claims backlog through an aggressive transformation plan that includes initiatives focused on the people, processes, and technology that will eliminate the backlog. We are implementing a new standardized operating model in all our regional offices beginning this year that incorporates a case-management approach to claims processing. It establishes distinct processing lanes based on the complexity and priority of the claims and assigns employees to the lanes based on their experience and skill levels. Integrated, cross-functional teams work claims from start to finish, facilitating the quick flow of completed claims and allowing for informal clarification of claims processing issues to minimize rework and reduce processing time. More easily rated claims move quickly through the system, and the quality of our decisions improves by assigning our more experienced and skilled employees to the more complex claims. The new operating model also establishes an Intake Processing Center at every regional office, adding a formalized process for triaging mail and enabling more timely and accurate distribution of claims to the production staff in their appropriate lanes.

VA is increasing the expertise of our workforce and the quality of our decisions through national training standards that prepare claims processors to work faster and at a higher quality level. Our training and technology skills programs will continue to deliver the knowledge and expertise our employees need to succeed in a 21st Century workplace. We are establishing dedicated teams of quality review specialists at each regional office. These teams will evaluate decision accuracy at both the regional office and individual employee levels, and perform in-process reviews to eliminate errors at the earliest possible stage in the claims process. Personnel trained by our national quality assurance staff comprise the quality review teams to assure local reviews are consistently conducted according to national standards.

Using "Design Teams," VBA is conducting rapid development and testing of process changes, automated processing tools, and innovative workplace incentive programs. The first Design Team developed a method to simplify rating decisions and decision notification letters that was implemented nationwide in December 2011. This new decision notification process streamlines and standardizes the development and communication of claims decisions. This initiative also includes a new employee job-aid that uses rules-based programming to assist decisionmakers in assigning an accurate service-connected evaluation. VBA's Implementation Center, established at VBA headquarters as a program management office, streamlines the process of innovation to ensure that new ideas are approved through a governance process. This allows us to focus on initiatives that will achieve the greatest gains.

VA continues to promote the Fully Developed Claims (FDC) Program. We believe utilization of the FDC Program will significantly increase as a result of the public release last month of 68 more Disability Benefits Questionnaires (DBQs), bringing the total number of DBQs publically available to 71. DBQs are templates that solicit the medical information necessary to evaluate the level of disability for a particular medical condition. Currently used by Veterans Health Administration examiners, the release of these DBQs to the public will allow Veterans to take them to their private physicians, facilitating submission of a complete claims package for expedited processing. VA plans an aggressive communications strategy surrounding the release of these DBQs that will promote the FDC program. We also continue to

work with the VSO community to identify ways to boost FDC program participation and better inform and serve Veterans and their advocates.

This year VA is also beginning national implementation of our new paperless processing system, the Veterans Benefits Management System (VBMS). We are implementing VBMS using a phased approach that will have all regional offices on the new system by the end of 2013. We will continue to add and expand VBMS functionality throughout this process. Establishment of a digital, near-paperless environment will allow for greater exchange of information and increased transparency to Veterans, our workforce, and stakeholders. Increased use of state-of-the-art technology plays a major role in enabling VA to eliminate the claims backlog and redirect capacity to better serve Veterans and their families. Our strategy includes active stakeholder participation (Veterans Service Officers, State Departments of Veterans Affairs, County Veterans Service Officers, and Department of Defense) to provide digitally ready electronic files and claims pre-scanned through online claims submission using the eBenefits web portal. VBA has aggressively promoted the value of eBenefits and the ease of enrolling into the system. The 2013 budget invests $128 million in VBMS.

ENDING VETERAN HOMELESSNESS

The Administration is committed to ending homelessness among Veterans by 2015. Between January 2010 and January 2011 homelessness declined by 12 percent, keeping VA on track to meet the goal of ending Veteran homelessness in 2015. The VA's Homeless Veteran Registry is populated with over 400,000 names of current and formerly homeless Veterans who have utilized VA's Homeless Programs—allowing us to better see the scope of the issues so we can more effectively address them.

In the 2013 Budget, VA is requesting $1.352 billion for programs that will prevent and treat Veteran homelessness. This represents an increase of $333 million, or 33 percent over the 2012 level. This budget will support our long-range plan to eliminate Veteran homelessness by reducing the number of homeless Veterans to 35,000 in 2013 by emphasizing rescue and prevention.

To get Veterans off the streets and into stable environments, VA's Grant and Per Diem Program awards grants to community-based organizations that provide transitional housing and support services. VA's goal is to serve 32,000 homeless Veterans in this program in 2013. Transitional housing is also provided through the Healthcare for Homeless Veterans program. Permanent housing is achieved with Housing Choice Vouchers in the Department of Housing and Urban Development (HUD)-VA Supportive Housing (HUD-VASH) Program, and by 2013 VA plans to provide case management support for the nearly 58,000 HUD Housing Choice vouchers available to assist our most needy homeless Veterans.

Culminating two years of work to end homelessness among Veterans, the Building Utilization Review and Repurposing (BURR) initiative helped identify unused and underused buildings and land at existing VA property with the potential for repurposing to Veteran housing. The BURR initiative supports VA's goal of ending Veteran homelessness by identifying excess VA property that can be repurposed to provide safe and affordable housing for Veterans and their families. As a result of BURR, VA began developing housing opportunities at 34 nationwide locations for homeless or at-risk Veterans and their families using its Enhanced Use Lease (EUL) authority (now expired). The housing opportunities developed through BURR will add approximately 4,100 units of affordable and supportive housing to the projects already in operation or under construction, for an estimated total of 5,400 units.

Although the Department's Enhanced Use Lease authority has expired, the Administration will work with Congress to develop future legislative authorities to enable the Department to further repurpose the properties identified by the BURR process. Beyond reducing homelessness among our Veterans, additional opportunities identified through BURR may include housing for Veterans returning from Iraq and Afghanistan, assisted living for elderly Veterans, and other possible uses that will enhance benefits and services to Veterans and their families.

Of all claimants served by the Veterans Benefits Administration (VBA), homeless Veterans represent our most vulnerable population and require specialized care and services. The 2013 budget requests $21 million for the Homeless Veterans Outreach Coordinator (HVOC) initiative, which would provide an additional 200 coordinators nationwide to expedite disability claims; acquire housing and prevent Veterans from losing their homes; expedite access to vocational training and job opportunities; and resolve legal issues at regional justice courts. These new case managers would significantly improve outcomes on behalf of the Nation's homeless Veterans. For exam-

ple, the initiative would improve the timeliness of disability claims decisions for homeless and at-risk Veterans by reducing the claims processing times by nearly 40 percent between 2011 and 2015.

In 2011, VHA hired 366 (or 90 percent of 407 total positions) homeless or formerly homeless Veterans as Vocational Rehabilitation Specialists to provide individualized supported employment services to unemployed homeless Veterans through the Homeless Veterans Supported Employment Program. Recent initiatives to increase employment of Veterans in Federal and other public-sector jobs will help to reduce homelessness and also ensure their families are supported. On January 18, 2012, VA hosted a career fair for Veterans in Washington, DC. Over 4,000 Veterans attended this event to explore and apply for thousands of public and private sector job opportunities.

The VA also helps Veterans obtain employment with education and training assistance. The National Cemetery Administration (NCA) is helping to provide employment opportunities for homeless Veterans through a new, paid Apprenticeship Training Program serving Veterans who are homeless or at risk of homelessness. The program will be based on current NCA training requirements for positions such as Cemetery Caretakers and Cemetery Representatives. Veterans who successfully complete the program at national cemeteries will be guaranteed full-time permanent employment at a national cemetery or may choose to pursue employment in the private sector. The Veterans Retraining Assistance Program is a joint effort with VA and the Department of Labor to provide 12 months of retraining assistance. The program is limited to 54,000 participants from October 1, 2012, through March 31, 2014. Education and training assistance are preventive programs.

Other preventive services programs include the Supportive Services for Veteran Families, which provides rapid case management and financial assistance, coordinated with community and mainstream resources, to promote housing stability. In time, VA will transition its homeless efforts primarily to prevention. Through coordinated partnerships with other Federal and local partners and providers, VA will assist at risk Veterans in maintaining housing, accessing supportive services that promote housing stability, and identifying the resources to rapidly re-house Veterans and their dependents if they should fall into homelessness. This shift to increased preventive efforts will require us to be much more knowledgeable about the causes of Veterans' homelessness, about the details of our current homeless and at-risk Veteran populations, and about creating action plans that serve Veterans at the individual level.

MEDICAL CARE PROGRAM

The 2013 budget requests $52.7 billion for healthcare services to treat over 6.33 million unique patients, an increase of 1.1 percent over the 2012 estimate. Of those unique patients, 4.4 million Veterans are in Priority Groups 1–6, an increase of more than 64,000 or 1.5 percent. Additionally, VA anticipates treating over 610,000 Veterans from the conflicts in Iraq and Afghanistan, an increase of over 53,000 patients, or 9.6 percent, over the 2012 level.

Medical Care in Rural Areas

The delivery of healthcare in rural areas faces major challenges, including a shortage of healthcare resources and specialty providers. In 2011, we obligated $18.8 billion to provide healthcare to Veterans who live in rural areas. Some 3.6 million Veterans enrolled in the VA healthcare system live in rural or highly rural areas of the country; this represents about 42 percent of all enrolled Veterans. For that reason, VA will continue to emphasize rural health in our budget planning, including addressing the needs of Native American Veterans. The 2013 budget continues to invest in special programs designed to improve access and the quality of care for Veterans residing in rural areas. For example, in the remote, sparsely populated areas of Montana, Utah, Wyoming and Colorado, VA has supported the development and expansion of a network-wide operational telehealth infrastructure that supports a virtual intensive care unit, tele-mental health services, and primary care and specialty care to 67 fixed and mobile sites. Again, IT investment is the foundation of our work in all of these areas.

In rural areas with larger populations, funding supports the opening of new rural clinics, such as the one located in Newport, Oregon, which serves over 1,200 Veterans. This clinic is a unique partnership between VA and the local Lincoln County government. The county government provides clinical space, equipment and supplies, while VA funds the salaries for the primary care and mental health providers.

Mental Healthcare

The budget requests $6.2 billion for mental health programs, for an increase of $312 million over the 2012 level of $5.9 billion. VA is increasing outreach opportunities to connect with and treat Veterans and their families in new, innovative ways. In April 2011, VA launched the first in a series of mobile smartphone applications, the PTSD Coach. It provides information about PTSD, self-assessment and symptom management tools, and information on how to get help. VA developed this technology in collaboration with DOD and with input from Veterans, who let the development team know what they did and did not want in the application (app). As of the end of 2011, the app had just over 41,000 downloads in 57 countries. In addition, VA is developing PTSD Family Coach that will complement the Coaching into Care national call center, which provides support to family members of Veterans.

In 2011, VA also launched *Make the Connection*, a national public awareness campaign for Veterans and their family members to connect with other Veterans to share common experiences, and ultimately to connect them with information and resources to help with the challenges that can occur when transitioning from military service to civilian society. This is an important effort in breaking down the stigma associated with mental health issues and treatment. The campaign's central focus is a Web site, www.MakeTheConnection.net, featuring numerous Veterans who have shared their experiences, challenges, and triumphs. It offers a place where Veterans and their families can view the candid, personal testimonials of other Veterans who have dealt with and are working through a variety of common life experiences, day-to-day symptoms, and mental health conditions. The Web site also connects Veterans and their family members with services and resources they may need.

Long-term Medical Care

As the Veteran population ages, VA will expand its provision of both institutional and non-institutional Long-Term Care services. These services are designed not just for the elderly, but for Veterans of all ages who have a serious chronic disease or disability requiring ongoing care and support, including those returning from Iraq and Afghanistan suffering from traumatic injuries. Veterans can receive long-term care services at home, at VA medical centers, or in the community. In 2013, the Long-Term Care budget request is $7.2 billion. VA will continue to provide long-term care in the least restrictive and most clinically appropriate settings by providing more non-institutional care closer to where Veterans live. This budget supports an increase of 6 percent in the average daily census in non-institutional long-term care programs in 2013, resulting in a total average daily census of approximately 120,100.

MEDICAL RESEARCH

Medical Research is being supported with $583 million in direct appropriations in 2013, an increase of nearly $2 million above the 2012 level. In addition, approximately $1.3 billion in funding support for medical research will be received from VA's medical care program and through Federal and non-Federal grants. Projects funded in 2013 will support fundamentally new directions for VA research. Specifically, research efforts will be focused on supporting development of New Models of Care, improving social reintegration following Traumatic Brain Injury, reducing suicide, evaluating the effectiveness of complementary and alternative medicine, developing blood tests to assist in the diagnosis of Post Traumatic Stress Disorder and mild Traumatic Brain Injury, and advancing genomic medicine.

The 2013 budget continues support for the Million Veteran Program (MVP), an unprecedented research program that advances the promises of genomic science. The MVP will establish a database, used only by authorized researchers in a secure manner, to conduct health and wellness studies to determine which genetic variations are associated with particular health issues. The pilot phase of MVP was launched in 2011. Surveys were sent to 17,483 Veterans and approximately 20 percent of those then completed a study visit and provided a small blood sample. By the end of 2013, the goal is to enroll at least 150,000 participants in the program. Like with so much of VA research, the impact will be felt not just through improved care for Veterans but for all Americans, as well.

VETERANS BENEFITS ADMINISTRATION

The 2013 budget request for the general operating expenses of the Veterans Benefits Administration (VBA) is $2.2 billion, an increase of $145 million, or 7.2 percent, over the 2012 enacted level. With the support of Congress, we have made great strides in implementing our comprehensive plan to transform the disability claims process. This budget sustains our investments in people, processes, and technology

in order to eliminate the claims backlog by 2015. In addition, this budget request includes funding to support the administration of other VBA business lines.

Post-9/11 and other Education Programs

The Post-9/11 GI Bill program provides every returning servicemember with the opportunity to obtain a college education. As expected, the Post-9/11 GI Bill program has become the most used education benefit that VA offers. Just as with the original GI Bill, today's program provides Veterans with tools that will help them contribute to an economically vibrant and strong America. In 2013, VA estimates that 606,300 individuals will participate in this benefit program. The timeliness and accuracy of processing Post-9/11 GI Bill claims continues to improve. From 2010 to 2011, VA processing times for original and supplemental claims improved by 15 days (from 39 to 24 days) and 4 days (from 16 to 12 days), respectively. Over the last two years, VA has successfully deployed a new IT system to support processing of Post-9/11 GI Bill education claims. With improved automation tools in place, VA will be able to begin reducing education benefit processing staff in 2013.

Vocational Rehabilitation and Employment (VR&E)

The VR&E program is designed to assist disabled Servicemembers in their transition to civilian life and obtaining employment. The budget request for 2013 is $233.4 million or a 14.2 percent increase from 2012. The number of participants in the program increased to 107,925 in 2011 and is expected to grow to over 130,000 by 2013.

VA is also expanding VR&E counseling services available at IDES sites to assist Servicemembers with disabilities in jumpstarting their transition to civilian employment. In 2012, VA will assign 110 additional counselors to the largest IDES sites, serving an additional 12,000 wounded, ill, and injured Servicemembers. Funds requested in 2013 will support further expansion, adding 90 more counselors to the program.

In 2009, VA established a pilot program called VetSuccess on Campus to provide outreach and supportive services to Veterans during their transition from the military to college, ensuring that their health, education and benefit needs are met. By the end of 2012, the program will be operational on 28 campuses. The 2013 budget includes $8.8 million to expand the program to a total of 80 campuses serving approximately 80,000 Veterans.

NATIONAL CEMETERY ADMINISTRATION

VA honors our fallen soldiers with final resting places that serve as lasting tributes to commemorate their service and sacrifice to our Nation. The 2013 budget includes $258 million in operations and maintenance funding for the National Cemetery Administration (NCA). In 2013, NCA estimates that interments will increase by 1,500 (1.3 percent) over 2012. Cemetery maintenance workload will also continue to increase in 2013 over the 2012 levels: the number of gravesites maintained will increase by 82,000 (2.5 percent) and the number of developed acres maintained will increase by 138 (1.6 percent).

The 2013 Budget will allow VA to provide more than 89.6 percent of the Veteran population, or 19.1 million Veterans, a burial option within 75 miles of their residence by keeping existing national cemeteries open, establishing new State Veterans cemeteries, as well as increasing access points in both urban and rural areas. VA's first grant to establish a Veterans cemetery on Tribal trust land, as authorized in Public Law 109–461, was approved on August 15, 2011. This cemetery will provide a burial option to approximately 4,036 unserved Rosebud Sioux Tribe Veterans and their families residing on the Rosebud Indian Reservation near Mission, South Dakota.

NCA provides an unprecedented level of customer service, which has been achieved by always striving for new ways to meet the burial needs of Veterans. In 2011, NCA initiated an independent study of emerging burial practices including "green" burial techniques that may be appropriate and feasible for planning purposes. The study will also include a survey of Veterans to ascertain their preferences and expectations for new burial options. The completed study will provide comprehensive information and analysis for leadership consideration of new burial options.

CAPITAL INFRASTRUCTURE

A total of $1.14 billion is requested in 2013 for VA's major and minor construction programs, an increase of 6.3 percent over the 2012 enacted level. VA is also proposing legislation in 2013 that would enhance the ability of the Department to collaborate with other Federal Departments and Agencies, including the Department of Defense (DOD) on joint capital projects. This legislative proposal would allow ap-

propriated funds to be transferred among Federal agencies to effectively plan and design joint projects when determined to be cost-effective and improve service delivery to Veterans and Servicemembers.

Major Construction

The major construction request in 2013 is $532 million in new budget authority. The major construction request includes funding for the next phase of construction for four medical facility projects in Seattle, WA; Dallas, TX; Palo Alto, CA; and St. Louis (Jefferson Barracks), MO. Additionally, funds are provided to remove asbestos from Department-owned buildings, improve facility security, remediate hazardous waste, fund land acquisitions for national cemeteries, and support other construction related activities.

Minor Construction

In 2013, the minor construction request is $608 million. It would provide for constructing, altering, extending and improving VA facilities, including planning, assessment of needs, architectural and engineering services, and site acquisition and disposition. It also includes $58 million to NCA for land acquisition, gravesite expansions, and columbaria projects. NCA projects include irrigation and drainage improvements, renovation and repair of buildings, and roadway repairs.

INFORMATION TECHNOLOGY

The 2013 budget requests $3.327 billion for Information Technology (IT), an increase of $216 million over the 2012 enacted level of $3.111 billion. Veterans and their families are highly dependent upon the effective and efficient use of IT to deliver benefits and services. In this day and age, every doctor, nurse, dentist, claims processor, cemetery interment scheduler, and administrative employee in the VA cannot do his or her jobs without adequate IT support. Approximately 80 percent of the IT budget supports the direct delivery of healthcare and benefits to Veterans and their families.

We have made dramatic changes in the way IT projects are planned and managed at the VA. As described earlier in this testimony, the Project Management Accountability System (PMAS) has reduced risks by instituting effective monitoring and oversight capabilities and by establishing clear lines of accountability. Additionally, we have strengthened security standards in software development and established an Identity Access Management program that allows VA to increase on-line services for Veterans.

The IT infrastructure supports over 300,000 employees and about 10 million Veterans and family members who use VA programs, making it one of the largest consolidated IT organizations in the world. This budget request includes nearly $1.8 billion for the operation and maintenance of the IT infrastructure, the backbone of VA. A sound and reliable infrastructure is critical to support the VA workforce and all of our facilities nationwide in the effective and efficient delivery of healthcare and benefits to Veterans. It is also critical that we support new facility activations, our major transformational initiatives, and the increased usage of VA services while maintaining a secure IT environment to protect Veteran sensitive information.

Improving services for Veterans and their beneficiaries requires using advanced technologies. For example, VA will continue to utilize MyHealth*e*Vet to improve access to information on appointments, lab tests and results, and reduce adverse reactions to medications. The 2013 budget continues an investment strategy of funding the development of new technologies that will have the greatest benefit for Veterans.

The delivery of high-quality medical care to an increasing number of Veterans is highly dependent upon adequate IT funding. VA's health IT investments have, and will continue, to greatly improve the delivery of medical care with regards to quality, patient safety and cost effectiveness. This includes transformation of mental health service delivery through IT enabled self-help, providing data and IT analytical tools for VA's research community, and creating an open exchange for collaboration and innovation in the development of clinical software solutions. Additionally, initiatives focused on "Care at a Distance" are heavily reliant on technology and require a robust IT infrastructure.

The 2013 budget request for integrated Electronic Health Record (iEHR) is $169 million. The iEHR is a joint initiative with DOD to modernize and integrate electronic health records for all Veterans to a single common platform. We must take full advantage of this historic opportunity to deliver maximum value through joint investments in health IT. When DOD and VA healthcare providers begin accessing a common set of health records, iEHR will enhance quality, safety, and accessibility of healthcare—setting the stage for more efficient, cost-effective healthcare systems.

In 2013, we plan to leverage open source development to foster innovation and speed delivery for a pharmacy and immunization solution.

An integral part of iEHR is the Virtual Lifetime Electronic Record (VLER), which is enabling VA transformation. VLER creates information interoperability between DOD, VA, and the private sector to promote better, faster and safer healthcare and benefits delivery for Veterans. The 2013 budget will ensure continued delivery of enhanced clinical and benefits information connections and build increased capability to support women's healthcare. Additionally, we will develop a modern memorial affairs system for the dynamic mapping of gravesite locations. The 2013 budget request for VLER is $52.9 million.

In addition, the 2013 budget requests $92 million in the IT appropriation for VBMS. As noted earlier, the VBMS initiative is the cornerstone of VA's claims transformation strategy. It is a comprehensive solution that integrates a business transformation strategy to address people and processes with a paperless claims processing system. Achieving paperless claims processing will result in higher quality, greater consistency and faster claims decisions. Nationwide deployment of VBMS is on target to begin in 2012 with completion in 2013.

This budget also includes funding to transform the delivery of Veterans' benefits. The 2013 IT budget requests $111 million for the Veterans Relationship Management (VRM) initiative. We will use this funding to improve communications between Veterans and VA that occur through multiple channels—phone, web, mail, social media, and mobile apps. It will also provide new tools and processes that increase the speed, accuracy and efficiency of information exchange, including the development of self-service technology-enabled interactions to provide access to information and the ability to execute transactions at the place and time convenient to the Veteran. In 2013, Veterans will see enhanced self-service tools for the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) and VetSuccess programs, as well as the Veterans Online Application for enrolling in VA healthcare.

LEGISLATIVE PROGRAM

VA has outlined in this budget a strong legislative program that will advance our mission to end Veteran homelessness and help Wounded Warriors by improving our system of grants for home alterations so Veterans can better manage disabilities and live independently. Our legislative proposals would also make numerous other common-sense changes that improve our programs, including provisions that will reduce payment complexities for both our student Veterans and the schools using the Post-9/11 GI Bill.

SUMMARY

VA is the second largest Federal department with over 316,000 employees. Our workforce includes physicians, nurses, counselors, claims processors, cemetery groundskeepers, statisticians, engineers, IT specialists, police, and educators. They serve Veterans at our hospitals, community-based outpatient clinics, Vet Centers, mobile Vet Centers, claims processing centers, and cemeteries. Through the resources provided in the President's 2013 Budget, VA is enabled to continue improving the quality of life for our Nation's Veterans and their families and to completing the transformation of the department that we began in 2009. Thanks to the President's leadership and the solid support of all Members of the Congress, we have made huge strides in our journey to provide all generations of Veterans the best possible care and benefits that they earned through selfless service to the Nation. We are committed to continue that journey, even as the numbers of Veterans will increase significantly in the coming years, through the responsible use of the resources provided in the 2013 budget and 2014 advance appropriations requests.

RESPONSE TO PREHEARING QUESTIONS SUBMITTED BY HON. PATTY MURRAY TO U.S. DEPARTMENT OF VETERANS AFFAIRS

HEALTH CARE

Question 1. As OEF/OIF/OND veterans age over the next 60 years, what levels of funding will be needed to maintain current health care service levels?

a. What portion of this is expected to be the result of increased demand among veterans versus veterans' becoming more sick and having more complex needs?

Response. The 2011 VA Enrollee Health Care Projection Model (base year FY 2010), which supports the VA 2013 budget and 2014 advance appropriations request for medical care, estimates that the total number of military Servicemembers de-

ployed in support of OEF/OIF/OND will reach 2.4 million in FY 2015, with the last separation from active duty occurring in FY 2042. As of 2010, there were 708,000 OEF/OIF/OND enrollees. Enrollment is expected to increase 62 percent by 2014, double to 1.46 million by 2020, and increase to 1.7 million by 2031. In 2013, VA has budgeted nearly $3.3 billion for this group of Veterans.

The Model reflects the unique utilization patterns of OEF/OIF/OND enrollees. For example, OEF/OIF/OND Veterans have an increased need for hearing and speech exams, dental services, physical medicine, prosthetics, outpatient psychiatric and substance abuse treatment, and residential rehabilitation. In addition, as this population ages over the Model's 20-year horizon, the projections will reflect the higher utilization of health care services associated with older populations. For example, the 2011 Model is projecting an increase of over 200 percent in outpatient mental health visits for this population by FY 2020.

Question 2. What impact will the end of the war in Iraq, the drawdown of troops in Afghanistan, and the reduction of forces across the military have on VA? What does the FY 2013 budget do to prepare VA for these impacts, and how is the Department working collaboratively with DOD to prepare for these changes?

Response. The Department of Veterans Affairs (VA) works closely with the Department of Defense (DOD) at the local and Departmental levels to meet the needs of redeploying and transitioning Servicemembers and Veterans. DOD is still developing operational plans and details for how they intend to reduce forces over the next five years. VA is aware of the potential impact the force reduction may have on VA providing benefits and services, especially at the points of transition from active duty to Veteran status. VA has been actively collaborating with DOD on this issue from the Secretarial level on down, in order to identify any new requirements from a resource or program perspective.

In addition to this collaboration with DOD, VA has and will continuously evaluate overall mission requirements through efforts such as: periodic refresh of the VA Strategic Plan; execution of planning, programming, budgeting, and evaluation (PPBE) processes through the VA Office of Corporate Analysis and Evaluation to support strategic decisionmaking and align resources to achieve VA priorities for Veterans; and leveraging robust data analysis and predictive modeling capabilities through the VA Office of Data Governance and Analysis to support strategic and programmatic planning, as well as policy development.

The VA budget supports the requirements and needs for the Department in fiscal 2013 and the advanced appropriation request for health care in fiscal 2014. The FY 2013 budget includes the impact of the end of the war in Iraq, and the drawdown of troops in Afghanistan, but it does not include the impact of the reduction in the size of DOD troop strength because that specific data is not yet available. Based upon VA's current analysis, the Iraq and Afghanistan drawdown and the DOD force reductions will have a negligible impact on the FY 2013 budget.

Question 3. Enrollment and utilization projections.

a. Considering what VA has learned from the addition of a reliance metric last year to the Enrollee Health Care Projection Model, and considering CBO's projection that unemployment will be 8.2 percent at the end of 2012, what does the Department project will be the change in reliance for FY 2013 and beyond?

Response. Demand for VA health care increased during the economic downturn, primarily reflected by a small increase in Veteran enrollment, a small increase in current enrollees moving into Priority 5 or Priority 7, and a significant increase in enrollee reliance on VA health care. An estimated $1.5 billion is now embedded in the base year FY 2010 expenditures as a result of the economic downturn from FY 2008 through FY 2010.

The 2011 VA Enrollee Health Care Projection Model's starting point (FY 2010) reflects the high point of the economic downturn. Because demand for VA health care is correlated with changes in economic conditions, the increase in demand associated with the economic downturn through 2010 is expected to decline as unemployment rates return to normal levels.

The 2011 Model uses the Office of Management and Budget's (OMB) November 2011, economic assumptions (unemployment rate forecast) for FY 2011 through FY 2021. OMB forecasts that the rate will come down from the FY 2010 high of 9.7 percent to 8.7 percent in FY 2013.

Background: The economic downturn mostly impacted Veterans in Priorities 5 and 7 under age 65. From 2008 through 2010 (the base year in the 2011 Model):

- An estimated 50,000 more Veterans enrolled than anticipated in a stable economic environment. Enrollment in Priority 5 increased by an estimated 30,000 due to changes in enrollee transition between priorities.

• Responses to the VHA Enrollee Surveys indicate that outpatient reliance increased from 47 percent to 51 percent from 2007 to 2009 for enrollees under age 65.

b. Please discuss how the concerns raised by GAO in their report GAO–11–205, Veterans' Health Care: VA Uses a Projection Model to Develop Most of Its Health Care Budget Estimate to Inform the President's Budget Request, were addressed in the development of the FY 2013 budget and the FY 2014 advance appropriation request.

Response. In the subject GAO report (GAO–11–205, January 2011), the GAO described how the VA develops the budget estimates for its health care program. The GAO report did not contain any recommendations and did not raise any concerns. The process described in the subject report was essentially the same process that was used to develop the FY 2013 budget and the FY 2014 advance appropriation request

Question 4. How much money has been obligated thus far for the caregivers program (Title I—Caregiver Support, of Public Law 111–163)? Please provide a breakdown of that funding.

a. How many veterans are currently enrolled in the program

Response. As of February 14, 2012, 3,113 approved primary Family Caregivers were enrolled in VA's Program of Comprehensive Assistance for Family Caregivers. In order to implement Title I of Public Law 111–163, VA has obligated the amounts on the chart below.

	FY 2011	1st Qtr FY 2012
Instruction and Training	$3,933,563	$81,422
Travel, lodging, and per diem expensed to attend training	$141,832	$24,122
Lodging and subsistence for VA appointments	$60,784	$56,284
Respite care	$1,308,503	$249,734
Ongoing technical support	$10,687,172	$3,146,041
Mental Health	$6,600	$9,108
Monthly stipend	$11,002,530	$16,568,583
CHAMPVA	$0	$201,783
Total	$27,140,984	$20,337,077

The total cost of Sections 101–104 in 2011 was $30.8 million. This includes additional requirements such as the Caregiver Web site, and the implementation of other evidence based practices and staffing.

Question 5. What steps have been taken by VA to increase collections for the MCCF over the past year, including any efforts to improve identification of billable services? Does the FY 2013 budget request continue to support efforts to increase collections and improve identification of billable services, and if so how?

Response. VA has taken multiple steps to increase collections for the Medical Care Collections Fund (MCCF) focused on identifying more billable opportunities including:

• *Deployment of Consolidated Patient Account Centers (CPACs):* VA is transitioning billing and collection activities from individual medical centers to seven (7) regionally aligned centers of excellence in an effort to capture more billable opportunities. This business model demonstrates efficiency through standardized business processes, performance accountability, and stringent internal controls to ensure consistency. Four (4) CPACs are fully operational—Mid Atlantic (Asheville, NC), Mid South (Smyrna, TN), North Central (Madison, WI) and Florida (Orlando, FL). Three (3) CPACs are being deployed in Fiscal Year 2012—West (Las Vegas, NV), Central Plains (Leavenworth, KS) and North East (Lebanon, PA). CPACs are being deployed one year earlier than mandated by Public Law 110–387.

• *Recoveries from Fee Care:* VA can bill third party payers for Veterans receiving non-service-connected Fee care with insurance. In an effort to enhance charge capture for these services, VHA has deployed reengineered business processes, provided staff training and developed a process to improve performance in key areas.

• *Revenue Cycle Enhancement Teams (RCET):* RCET visits identify opportunities to improve billable opportunities at lower performing facilities by developing action plans and tracking follow up until completion. Over the past year, more than 30 visits have been completed across the organization by cross functional teams of experts.

• *Enhancing Electronic Business Capacity:* VA continues to enhance electronic business transaction capabilities that result in faster payments. Specifically, VA increased the number of pharmacy claims transmitted electronically by 43% over the last year and the amount of revenue collected through electronic funds transfer by nearly 30%.

With regard to FY 2013, VA believes the budget estimate of $2.966 billion for collections, which represents a $199M increase, or 7.2% compared to FY 2012, supports efforts to increase collections and improve identification of billable services. This increase includes $125 million in collections contingent on new authorities found in VA's submitted legislative proposals that we hope Congress will enact.

Question 6. There have been system-wide shortcomings in human resources functions including a slow hiring process, downgrading of VA employees, and others.

a. What steps has the Department taken to identify problems in:

i. local human resources operations; and

ii. the ability of regional or national-level human resources to create and enforce policy and conduct oversight?

b. Please also provide the results of any reviews or evaluations of these offices or functions.

c. Please detail progress on any efforts to correct deficiencies that have been identified, including accomplishments to-date and offices or personnel responsible.

Response. The VA human resources structure includes centralized human resources functions of strategic planning, policy development, and oversight and compliance as well as decentralized human resources operational functions. Operational functional authorities that have been decentralized include appointing authority, authority to process and authenticate notifications of personnel actions, and authority to effect management-approved employment actions on behalf of officials, employees, and facilities for which service is provided. With decentralized operational functions, each Administration Head (i.e., the Under Secretary for Benefits, Under Secretary for Memorial Affairs, and Under Secretary for Health) is delegated the authority to perform H.R. operations for all employees within their respective organizations. The Veterans Health Administration (VHA) also provides operational support for the Office of Information and Technology. H.R. operations for all other staff offices are performed in VA Central Office. VA's decentralized operating authority allows for local decisions that are consistent with statutory and regulatory requirements but affords flexibility.

Although H.R. operations are largely decentralized, controls are in place to ensure oversight and accountability. VA's Accountability System, our official framework for conducting H.R. reviews, is designed to promote continuous improvement, including corrective action to address weaknesses/deficiencies and merit system violations. All accountability activities are reviewed by the Office of Human Resources Management (OHRM) and appropriate management entities to determine and implement needed changes to VA's human capital goals and objectives, H.R. programs and processes, and the accountability system itself. Case violations involving potential prohibited personnel practices are referred to appropriate oversight agents—Office of Inspector General, Office of Special Counsel, Office of Personnel Management (OPM), etc. Systemic concerns are referred to the Assistant Secretary for Human Resources and Administration for consideration for Department-wide action.

a. What steps has the Department taken to identify problems in: i. local human resources operations; and ii. the ability of regional or national-level human resources to create and enforce policy and conduct oversight?

Response. VA's Directive 5024, Human Capital Management Accountability Systems establishes VA policies for human capital management (HCM) accountability systems, and outlines responsibilities for the conduct and review of Human Resources Management (HRM) program assessments. The VA HRM accountability program is the responsibility of top VA management, line managers, and human resources officials working together to ensure Federal and VA's HRM programs, policies and delegated H.R. authorities are carried out and are in accord with merit systems principles, Title 5 and Title 38 provisions, or other applicable laws, rules and regulations related to human resources management. This is accomplished through OHRM's guided accountability onsite reviews in a sampling of H.R. offices and the use of an Annual H.R. Self-Evaluation Instrument for all H.R. offices. The H.R. Self Evaluation of human capital helps measure VA's performance against the human capital accountability and assessment framework, which has been developed by OPM. The H.R. Self-evaluation instrument exists to assist field facility Directors in conducting yearly, systematic, and internal facility H.R. self reviews. As part of the accountability program, each field station conducts an annual HRM self-evaluation

as an integral part of local management's systematic internal review system, to include the separate Delegated Examining Unit (DEU) assessment at facilities where such units exist. Documentation used to prepare the self-evaluation is maintained for review during on-site visits. In addition to reviews by OHRM, the policy offices within OHRM monitor policy implementation. Also, through the Human Resources Academy, competency assessments, career mapping, and both strategic and technical human resources courses are leveraged to support human resources professionals.

b. Provide the results of any reviews or evaluations of these offices or functions.

Response. During 22 onsite assessments in fiscal year 2011, staff identified both required and recommended actions to enhance program effectiveness. In general, human resources professionals need to gain additional competencies to effectively partner and consult with management in accomplishing their organization's mission. Overall, assessed facilities were generally cited for administrative and process-related problems. Compliance errors are mainly the result of poor procedural or administrative processes and/or inattention to detail.

c. Detail progress on any efforts to correct deficiencies that have been identified, including accomplishments to-date and offices or personnel responsible.

Response. Facilities report to OHRM on required actions 20 days after receiving the report and every 60 days thereafter. In addition, H.R. offices are required to outline actions proposed and taken to close each required and recommended action and provide evidence of how they are closing each action. OHRM continues to formally verify closure of the required actions and recommendations stemming from its on-site assessment visits. Key findings of site visit assessments, including systemic compliance issues, are reported to local management and VA leadership, in order to assess and promote continuous improvement in the overall HC program.

Under the VHA H.R. Delivery Model, which was approved July 14, 2010, Veterans Integrated Service Network (VISN) Human Resources Officers assess gaps in human resources processes and implement initiatives to reduce gaps identified. Also, VHA established Consolidated Classification Units (CCU) in 2010; these CCUs are providing oversight and ensuring consistency on all classification actions at VHA medical facilities. To date, 14 CCUs are in place with the remaining 7 CCUs to be established in the near future. A National Classification Strategy is underway and work is ongoing to establish a National VHA Classification Office. In addition, Workforce Management and Consulting (WMC) has initiated national classification conference calls that include all VISN classification specialists. This forum addresses all national and regional classification issues and will ensure consistency and reduced variation across VHA. In January 2011, WMC formed a team of H.R. professionals that are collaborating and coordinating with each VISN H.R. Officer to visit VHA Medical Centers to review each H.R. program and to provide hands-on consultation and operational guidance. To ensure compliance with Merit System Principles, WMC conducted onsite reviews at all VISN 17 facilities and reviewed classification actions performed by the CCU and found that current actions are in compliance with OPM classification standards.

Question 7. Please discuss the level of funding requested in the FY 2013 budget to continue implementation of the Amputee System of Care. Also, please discuss the progress the Department has made in implementing the Amputee System of Care to date including:

a. Number and type of personnel, as well as existing vacancies.

b. Operational status of each site or team, and expected date of full operational capability for those sites or teams that have not yet achieved that status.

c. Discussion of benefits to care or operational efficiencies expected as a result of providing more prosthetic care by the Department.

Response. Establishment of the Amputation System of Care (ASoC) began in 2009 and all sites of care are fully operational, although the system of care continues to evolve and mature. The vision of the ASoC is to be a world leader in providing lifelong amputation care.

There is a total of 58 FTE dedicated to the Amputation System of Care; currently, there are 11 staff vacancies. The number of Amputation Clinic teams has grown by over 10 percent since the initial rollout in 2009, and amputation rehabilitation care is now available at 111 sites throughout VHA. All sites are fully operational to provide services appropriate to meeting the requirements of their designated level of care. Recruitment efforts are ongoing to fill remaining vacancies by the end of FY 2012.

The ASoC is comprised of four distinct components of care similar to the hub-and-spoke model utilized by VA Polytrauma System of Care, and includes:

• *Component 1:* 7 Regional Amputation Centers (RAC) provide comprehensive rehabilitation care through an interdisciplinary team and serve as a resource across the VA system through tele-rehabilitation. They provide the highest level of specialized expertise in clinical care and technology and provide rehabilitation and consultation to the most complicated patients. These facilities include: Bronx, Denver, Minneapolis, Palo Alto, Richmond, Seattle and Tampa VA medical centers (VAMC). The staffing supported through ASoC funding at these locations includes:

– 7 Physician Medical Directors (2 vacancies, currently)
– 7 Amputation Rehabilitation Coordinators
– 7 RAC Prosthetists (6 vacancies, currently)
– 7 Program Support Assistants (1 vacancy, currently)

• *Component 2:* 15 Polytrauma Amputation Network Sites provide full range of clinical and ancillary services to Veterans closer to their home. The staffing supported through ASoC funding at these sites includes:

– 15 Amputation Rehabilitation Coordinators
– 15 Program Support Assistants (2 vacancies, currently)

• *Component 3:* 111 Amputation Clinic Teams provide specialized outpatient amputation care, and staffing for these teams is supported by the VAMCs where they are located.

• *Component 4:* 22 Amputation Points of Contact facilitate referrals and access to services. These VA facilities ensure at least one person is identified to act as the point of contact for consultation and assessment, and to refer the patient to a facility capable of providing the level of services required.

The ASoC has committed an additional 13 FTEE to support the Servicemember Transitional Amputation Rehabilitation (STAR) Program at the Hunter Holmes McGuire Polytrauma Rehabilitation Center at the Richmond VAMC. This residential rehabilitation program was developed and initiated for Servicemembers and Veterans recovering from amputations, and who are not yet ready to live independently. This program has 10 designated residential beds providing post-acute rehabilitation services, and focuses on community re-integration and vocational rehabilitation.

The ASoC also utilizes Orthotics and Prosthetic (O&P) Services as part of the integrated system of VA physicians, therapists, and prosthetists working together to provide the best devices and state-of-the art care. The VA O&P Service has over 300 individuals ranging from fitters to certified orthotists and prosthetists, operating in 78 facilities across the country. Sixty five of these facilities have national accreditation by the American Board for Certification in Orthotics, Prosthetics and Pedorthics, or the Board of Certification/Accreditation International.

One of the benefits of including O&P Service as part of the ASoC team is that it offers complete care to the Veteran by incorporating biological factors, socioeconomic factors, social/contextual factors and psychological factors into unified care. Conversely, the fragmentation of care and lack of insurance coverage in the private sector has made it difficult for civilian patients to receive similar orthotic and prosthetic services.

The VA O&P Service offers Veteran-centered care, whether provision of that care comes from the VA O&P staff, or through one of more than 600 contracts nationally with accredited local orthotists and prosthetists. The VA pays the full cost of the prescribed limb as well as repairs.

The benefits of VA providing O&P Service further extends to the public sector by advancing development of new technologies, and education and training of professionals in the field. VA fosters and initiates interactions with manufacturers to gain access to new prosthetic and orthotic technology. Often this technology is first released commercially to the VA, thereby benefiting Veterans with the newest and most advanced systems. VA O&P clinicians provide feedback to the manufacturers for modification and enhancements to the technologies that advance even newer technologies. Further, the Department in partnership with orthotic and prosthetic academic programs at US universities and colleges has established 17 residency positions programs at 10 VA locations for academic year 2013, with three more sites planned for 2014. This collaboration with the prosthetic educational system, which includes a contractual training program, will further strengthen clinical care by providing training courses for VA's orthotic fitters and serving as a feeder program for newly trained clinicians.

BENEFITS

Question 8. VBA's Claims Transformation Plan focuses on people, processes, and technology. What are the projected gains in production, timeliness and quality an-

ticipated by the various components of the Claims Transformation Plan? Please provide the data source, summary of the data, and analysis for projected gains in production, timeliness and quality.

Response. VBA's Transformation Plan is a people-centric, results-driven, forward-looking integration of solutions that will ensure total lifelong engagement with Veterans, Servicemembers, their families and survivors. Consisting of more than 40 People, Process and Technology initiatives that are in various stages of implementation the goals of the Plan are to:

• improve claims production 45 to 60 percent, reducing the claims completion period to within 125 days in 2015

• enhance quality and accuracy by 14 percent to achieve a claims quality of 98 percent in 2015

Performance Gains by Initiative Category (Projected for FY 2012—FY 2015)

People: changing how we're organized and trained to do the work

- Productivity Gain: 15–20 percent
- Quality Gain: +4 percent
- Gains by People Program:
  - – Intake Processing Centers (IPC): for quick, accurate triage; Combined with cross functional teams, potential to save 39 days
  - – Segmented Lanes: cross-trained raters co-located to increase knowledge transfer, speed, and accuracy; Combined with IPC, potential to save 39 days)
  - – Challenge Training: Trainees process 1.3 disability claims per day at 98% accuracy

Processes: making improvements that result in quality and timeliness gains

- Productivity Gain: 15–20 percent
- Quality Gain: +4 percent
- Gains by Process Program:
  - – Simplified Notification Letter (SNL): potential 20% national gain in productivity could equal 250 thousand more rating cases per year
  - – Electronic Disability Benefits Questionnaires (DBQ): increases capability to submit Fully Developed Claims (FDC) and reduce average days to complete

Technology: acquiring and refining systems that enable us to do our jobs better

- Productivity Gain: 15–20 percent
- Quality Gain: +6 percent
- Gains by Technology Program:
  - – Veterans Benefits Management System: Improves productivity by 15–20 percent; increases quality by 6 percent
  - – Veterans Relationship Management: Reduces Veterans' calls by 25 percent and increases client satisfaction by utilizing the Internet for status inquiries and expanding availability of self-service functions.

The predicted gains in productivity and quality are estimates based on existing information and projections developed by field experts. The Plan is built on a data-driven approach focusing on performance management and the use of key metrics to enable business decisions that improve claims processing quality and timeliness and assure Transformation performance.

VBA's Transformation Plan is executed by the Implementation Center in VA Central Office—a program management office with dedicated resources to oversee the implementation of the Transformation Plan using a governance process to achieve standardization and sustainability. The Implementation Center has developed performance measures that will track the impact of the Plan's more than 40 initiatives.

We have already begun the rollout of transformation initiatives. In February 2012, we began the deployment of the Simplified Notification Letter (SNL) initiative, a new claims processing initiative that will significantly increase decision output (150,000 to 200,000 more decisions per year). The new decision notification process will also streamline and standardize the communication of claims decisions. Veterans will receive one simplified notification letter in which the substance of the decision, including a summary of the evidence considered and the reason for the decision, are all rendered in a single document. Testing of this initiative at the St. Paul Regional Office resulted in productivity increases of 31 percent, while sustaining a 90-percent accuracy rate, and reductions of 14 days in average processing time.

We are also transforming our local quality assurance process, establishing dedicated teams of quality review specialists at each regional office. These teams will evaluate decision accuracy at both the regional office and individual employee levels, and perform in-process reviews to identify and eliminate errors at the earliest pos-

sible stage in the claims process. The quality review teams are comprised of personnel trained by our national quality assurance (Statistical Technical Accuracy Review or "STAR") staff to assure local reviews are consistently conducted according to national standards. An initial focus of these teams is to reduce medical examination errors, which currently represent 36 percent of our benefit entitlement quality errors. In addition to quality improvements, the need for reexaminations will be minimized, thereby reducing claims processing time in 39-day increments for every reexamination avoided.

Question 9. VBA is relying heavily on IT and specifically the Veterans Benefits Management System (VBMS) in order to transform the claims processing system. VA's FY 2013 Budget Submission notes that VA will begin a nationwide deployment strategy for the Veterans Benefits Management System in 2012. Please provide:

a. The deployment strategy, plan and timeline;

Response. VBMS national deployment begins in selected regional offices in July 2012 and will follow a prescribed schedule which will be integrated with VBA's Transformation Plan. By the end of fiscal year 2012, 16 regional offices will be using VBMS. National deployment is scheduled to be completed by the end of calendar year 2013.

b. The number and type of claims processed to date using VBMS;

Response. The first two phases of VBMS have been deployed to the Providence Regional Office and the Salt Lake City Regional Office. Phase 1 was the initial VBMS prototype. Phase 2 added functionality and scale, both of which will continue to increase throughout FY 2012. As of February 16, 2012, VBMS processed to completion 443 of 908 disability compensation claims (49 percent). VBMS is being used to process most original disability compensation claims in Providence and Salt Lake. Any supplemental claims received on cases previously processed in VBMS will also be processed in VBMS.

c. The average time to complete, accuracy rate and number of appeals filed for claims processed using VBMS.

Response. As of February 16, 2012, the average time to complete a claim in VBMS was 131 days. Claims processed using VBMS are being reviewed for accuracy by VBA's national quality review staff, Systematic Technical Accuracy Review (STAR), in the same manner as all other claims. VBA recently instituted a special STAR review of claims processed in VBMS to confirm the validity of the calculator functionality in VBMS. VBA will be conducting training for the review, and the accuracy rate specific to VBMS claims will be available upon completion of training. Ten claims processed in VBMS are under appeal.

Question 10. Employee training has to be one of the major components of improving the timeliness and accuracy of claims decisions. Please provide a detailed breakdown of the type of training being provided to Compensation Service and Pension and Fiduciary Service employees. What is provided in the FY 2013 budget for training Compensation Service and Pension and Fiduciary Service employees?

Response. Compensation Service has developed a comprehensive national training program for claims processors consisting of standardized training modules for all phases of claims processing and levels of experience. The 2012 National Training Plan for claims processors at the intermediate and journeyman experience levels was released in November 2011.

The Compensation Service requires that each claims processor participate in a minimum of 80 hours of training. For intermediate and journeyman level employees, 40 of these hours cover mandatory topics that provide new guidance to the field and address national quality issues. The remaining 40 hours consist of 20 hours of technical-training electives that address local quality issues and 20 hours of station-determined topics that include courses required of all VA employees. All training must use nationally approved lesson materials developed by the Compensation and Pension Service and must be documented in VA's Talent Management System (TMS).

Entry-level claims processors undergo a robust training program consisting of three to four weeks of training on basic claims-processing skills at the employees' home stations, followed by four to eight weeks of centralized training with a concentration on practical knowledge application. Veterans Service Representatives (VSRs) participate in a four-week centralized training program to learn to develop or promulgate claims, and Rating VSRs (RVSRs) participate in an eight-week centralized training program to learn to make decisions on claims, including how to weigh evidence. All students, regardless of the curriculum, process actual cases under the guidance of experienced instructors and mentors during this centralized training. Cases are reviewed by several subject matter experts to ensure the cases are processed correctly and the students are provided with any necessary follow-up training and feedback. Our redesigned and expanded 8-week centralized Challenge

Training Program for new claims processors has achieved dramatic results. On completion of the training, employees work significantly faster and at a higher quality level. Trainees from the most recent class averaged 1.33 cases per day with 98 percent accuracy, compared to the legacy Challenge curriculum, following which trainees averaged one-half case per day and 60 percent accuracy. Compensation Service also provides training to claims processors of all levels through "Live Meetings" on emerging topics and initiatives and web-based training. The Compensation Service also deploys Training Assistance Teams to field offices to provide on-site training specifically geared toward improving decision accuracy at that office.

Pension employees are required to complete 85 hours of training annually through the National Training Curriculum, which includes: 40 hours of mandatory technical training; 20 hours of specific technical training identified through local quality reviews; 20 hours of developmental training; and five hours of VA mandated training (e.g., Privacy Awareness, Ethics).

New fiduciary employees are provided initial training that consists of two weeks of instructor-led training and followed by on-the-job training with an experienced field examiner. New field examiners must complete computer-based training through the Training and Performance Support System (TPSS). Additionally, Pension and Fiduciary Service has developed a three-week centralized training for all fiduciary personnel. This training is supplemented by VA-mandated training.

We anticipate that this improved training, consistency of delivery, and progression of employees to journey status will increase accuracy and productivity beginning in FY 2013.

The FY 2013 budget request supports centralized training for over 1,000 Compensation, Pension, and Fiduciary employees.

Question 11. How many FTE were supported by FY 2011 and FY 2012 funding for the compensation and pension quality assurance program? How many FTE will be supported in the FY 2013 budget request for the compensation and pension quality assurance program? How many compensation and pension decisions were reviewed during each of the past two fiscal years?

Response. In FY 2011, 61 FTE supported Compensation and Pension (C&P) Service until the Pension and Fiduciary (P&F) Service was established in April 2011. At that point, 54 FTE remained on the Compensation Service's Quality Assurance Staff, while seven FTE were transferred to P&F Service's Quality, Training, and Site Visit Staff to conduct quality reviews. Currently, 59 FTE support Compensation Service's Quality Assurance Program, and we expect no changes in this staffing for FY 2013. Seven FTE currently support P&F Service's quality reviews, and this staff will increase to eight FTE in FY 2013.

In FY 2010 and FY 2011, respectively, 32,311 and 38,001 compensation claims were reviewed. In FY 2010, 1,529 pension claims and 4,424 fiduciary claims were reviewed, while in FY 2011, 1,510 pension claims and 4,047 fiduciary claims were reviewed. As oversight of fiduciary activities is consolidated from 56 regional offices to six hub sites this year, P&F Service will review staffing requirements and sample sizes for quality reviews.

Question 12. Does the FY 2013 budget request for Vocational Rehabilitation and Education take into account any of the proposed effects that the ongoing business process re-engineering will have on staff time or the efficiency of operations?

Response. Vocational Rehabilitation and Employment (VR&E) Service anticipates a need for additional field staff, which is reflected in the fiscal year 2013 budget request. VR&E Service expects continued workload increases of ten percent or higher due to the growth in disability compensation and pension claims, including claims for the additional Agent Orange presumptive conditions. This increase in workload is also due to the increased outreach that will be conducted by the requested 110 staff who will be housed at the Integrated Disability Evaluation System sites, and to the expanded entitlement for certain Veterans under the recently enacted VOW to Hire Heroes Act.

JOINT VA/DOD PROGRAMS

Question 13. Please provide the cost—for both the current and next fiscal year—of disability examination contracts to support the Integrated Disability Evaluation System. Provide the costs to VBA and VHA separately.

Response. The Veterans Health Administration Disability Examination Management Contract (DEM) contract is a national Indefinite Delivery/Indefinite Quantity (ID/IQ) contract that has a minimum obligation of $100,000 per each of the five awarded vendors over the life of the contract. The base year began in FY 2011 and extends into four option years. The contract is centrally managed by the Office of Disability and Medical Assessment (DMA) with contracting officers assigned from

the Denver Acquisition and Logistics Center. The contract is executed and funded through VAMCs' medical service budget. The contract allows them to request disability exam services in support of their disability exam programs, as needed; to include the Integrated Disability Evaluation System (IDES). The contract resources can be used by VAMCs to support backlogs or surges in demand for disability examination requests. For FY 2011, a total of $500,000 was obligated and in FY 2012, $800,000 has been obligated. No funds will be obligated from FY 2013 and beyond. All funds will have to come from the local VAMC's budget if it elects to use the contract. As of January 2012, no contract exams have been completed in support of IDES.

VBA's Quality, Timeliness, and Customer (QTC) Medical Services, Inc., contract has generated 4,649 compensation and pension exams for the IDES program through the first quarter of FY 2012 at a cost of $5.5 million. VBA estimates that the total cost of IDES exams completed by QTC in FY 2012 will be approximately $22.3 million. The estimated cost for all IDES exams to be completed in FY 2013 is $23 million.

Question 14. Please describe the systems in place to monitor the quality of VHA and contract exams and rating decisions conducted as part of the Integrated Disability Evaluation System.

Response. IDES ratings, both preliminary and final ratings, are subject to the same quality assurance process as all ratings prepared by VBA. This process, called Systematic Technical Accuracy Review (STAR), utilizes a random sample of claims to assess claims processing accuracy. Claim reviews conducted at VA regional offices that serve as IDES Rating Activity Sites (D-RAS) include a sample of IDES ratings. STAR reviews ten cases monthly from each of three IDES sites (Providence, Seattle, and Baltimore) and is required to complete the reviews within five days of receipt. IDES decision documents are held to the same standard as any other rating and reviewed using the same criteria.

The VBA medical examination contract specifies that there will be a quarterly quality review. This quality review determines whether the contractor has met the standard or acceptable level of performance (ALP) required by VBA. The contract requires that the completed examination reports meet VA's Compensation Service worksheet requirements so that Rating Veterans Service Representatives may use these reports to complete rating decisions. An ALP of no less than 92% quality must be met. The VBA Medical Director for Contract Exams and Compensation Service's rating experts perform these quarterly quality reviews.

Every quarter, 148 examinations are randomly selected from completed examinations. The compensation worksheets are used to evaluate all exam reports. Since each contractor-completed report is considered a "product" that is paid for by the government, it must be measured against the requirements of the specific worksheet that was requested by the VA regional office.

As noted above, VHA has not contracted out any IDES exams. However, if VHA facilities were to contract out IDES examinations, each local individual health care facility that uses contracted resources is responsible for 100% review of those examinations that have been performed by contracted examiners. Moreover, disability examination requests and associated completed examinations managed by the VAMCs are randomly sampled and reviewed against seven specific examination request indicators and nine examination criteria by DMA Quality Assurance staff. VHA does not monitor the quality of any VBA contract exams including IDES.

Question 15. What are the resource demands that are envisioned as a result of the mandatory participation of servicemembers in the Transition Assistance Program?

Response. The VOW to Hire Heroes Act of 2011 requires VA to provide the TAP briefings to all separating Servicemembers. VBA currently has 258 FTE providing transition assistance briefings. VA is working with the Department of Defense (DOD) to determine the number of installations, number of separating Servicemembers, and methodology for service delivery.

Question 16. The FY 2013 budget request identified that VA facilities have over $9 billion in facility condition assessment-documented deficiencies. Over the last three years, VA's budget requests for non-recurring maintenance have continued to decrease while the operating costs per square foot have continued to rise. Given the realities of aging infrastructure, tight budgets, and projected utilization increases, what has VA done to mitigate the risks of not making solid investments in addressing basic facility maintenance issues?

Response. VA ensures infrastructure needs are being addressed with the safety and security of our Veterans and employees as our guiding principle, resulting in obligations of $2.15B in FY 2010 and $1.98B in FY 11.

The non-recurring maintenance (NRM) discussion is important to be viewed within the Department's overall efforts to plan for infrastructure needs. Developed first in the FY 2012 budget process, the Strategic Capital Investment Planning (SCIP) process is a VA-wide planning tool VA uses to evaluate and prioritize its capital infrastructure needs for the current Budget cycle and for future years. SCIP quantifies the infrastructure gaps that must be addressed for VA to meet its long-term strategic capital targets, including providing access to Veterans, ensuring the safety and security of Veterans and our employees, and leveraging current physical resources to benefit Veterans.

VA infrastructure funding requirements will continue to be balanced against other Department and National priorities. SCIP continues to be a critical and viable data-driven process that identifies all current and future gaps in safety, security, access, utilization and other related areas that most affect the delivery of benefits and services to Veterans. SCIP then evaluates the means, including specific projects (major, minor, non-recurring maintenance, leasing, or non-capital) to efficiently mitigate these gaps. SCIP continues to be a realistic blueprint in that it details a comprehensive methodology to mitigate all currently-identified capital needs. In a tight fiscal climate, this blueprint is an essential tool both this year and into the future, as SCIP projects are prioritized each year to ensure that only the highest priority projects are included in VA's annual budget request.

VA will continue to update this plan in order to capture changes in the environment, including evolving Veteran demographics, newly-emerging medical technology, advances in modern health care delivery and construction technology, and increased use of non-capital means (when appropriate) in a continuous effort to better serve Veterans, their families, and their survivors.

VA is also looking at alternative strategies to traditional capital approaches to meet our overall needs including the use of:

- Tele-medicine
- Extended hours for the provision of services on site
- Mobile clinics
- Care from private sources through contracts or on a fee-basis
- Continuous demographic data validation
- Non-construction/capital alternatives

Question 17. In the FY 2012 budget request, VA identified $18.5 million in savings through the Real Property Cost Savings and Innovation Plan via repurposing assets, demolition and mothballing, green improvements, increasing telework, and renegotiating GSA Leases. How much has been saved so far, per category? Is VA on track to achieve the anticipated level of savings in each category?

Response. The $18.5 million in savings, identified in the FY 2012 budget, was a portion of the overall Real Property Cost Savings and Innovation Plan that totaled $66 million in VHA savings. The lower $18.5 million was intended to be the Medical Facilities portion of the overall savings; however, VA has since updated this cost savings plan to better account for the savings related to VHA.

In the recently released FY 2013 budget the updated initiatives that are part of the Real Property Cost Savings and Innovation Plan have been described, including repurposing assets, demolitions and mothballing, energy and sustainability, improved non-recurring maintenance contracting, and reduction in leasing. The total savings for VHA remain at $66 million; however, it is all classified as Medical Facilities savings now.

The below table provides a status of the savings achieved through Q1 FY 2012 for each of the initiatives that make up the $66 million VHA savings target. VA has saved approximately $48 million of the total $66 million projected VHA savings through Q1 FY 2012. We are on target to meet the full VHA savings target by end of FY 2012.

Cost Savings Initiative	Total Estimated VHA Savings (by end of FY 2012)	Savings Achieved (through Q1 FY 2012)
1. Energy Savings and Sustainability	$43 M	$36 M
2. Repurpose Underutilized Assets	$6 M	$3 M
3. Demolition or Mothballing	$3 M	$1 M
4. Improved Non-Recurring Maintenance Contracting	$8 M	$2 M
5. Reduction in Leasing	$6 M	$6 M
Total	$66 M	$48 M

WOMEN VETERANS

Question 18. A 2010 GAO report identified a number of improvements that should be made to enhance VA services to women veterans. Included among these recommendations were facility improvements. Last year, VA provided a list of improvements that they intended to make over the course of ten years. Please provide an update on how much was spent, to date, in FY 2012 on these projects. Please also provide a list of remaining projects, their costs, and amount requested in the FY 2013 budget to address these projects.

Response. New space and renovations for privacy and women's health are critical elements in the prioritization process for our construction programs, with privacy ranking in the top criteria under safety and women's health ranking in the second highest criteria under Secretarial priorities. As can be seen in the attached spreadsheet, a significant amount of funding has been and continues to be targeted toward privacy and women's health projects. In fact, for VHA's FY 2011 construction programs, privacy and women's health supported over 1/3 of the available NRM and Minor funding ($884 million out of a total of $2.5 billion); and privacy and women's health represents almost 60% of the planned projects with the appropriated and requested FY 2012 and FY 2013 budgets ($1.5 billion out of $2.51 billion). (see attached spreadsheet)

INFORMATION TECHNOLOGY

Virtual Lifetime Electronic Record (VLER)

Question 19. Tables 10 and 20 of the Virtual Lifetime Electronic Record Capability Area 1, *Concept of Operations* v. *2.0* (CONOPS), dated April 8, 2011, and signed by the VA Deputy Secretary in August 2011, detail the *Go/No Go* Criteria and Threshold Measures for nationwide rollout of VLER.

a. Is the JEC still scheduled to make a *Go/No Go* decision in July 2012?

Response. Yes.

b. Based upon the criteria set forth in tables 10 and 20, is VLER on track for a Go recommendation by the Department?

Response. We are working toward a "go" recommendation. Though some criteria are already met, data is still being collected for other criteria in anticipation of making the decision.

c. If VLER is on track for a Go recommendation, please detail the Department's analysis in support of this determination, and if VLER is not on track for a Go recommendation, please detail the criteria currently not satisfied and any corrective action(s) necessary to achieve readiness for a July 2012 Go recommendation by the Department.

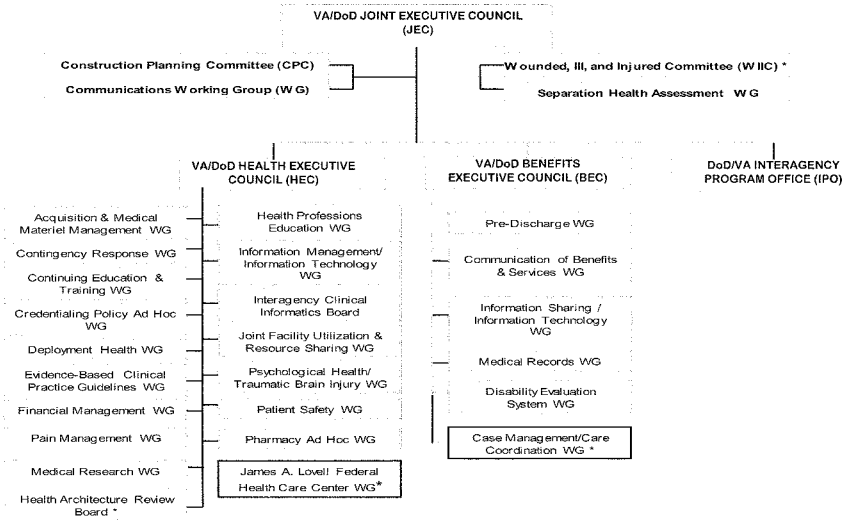
Response. Data will be collected through at least March 31, 2012. VLER Health information exchanges have been successfully deployed at 12 pilot sites nationwide and are in production use. As of Feb 14, 2012, 41,006 Veterans have provided authorization to participate in health data record exchange through the Nationwide Health Information Network (NwHIN). A total of 494 electronic health summaries have been retrieved by an NwHIN private partner from VA supporting the "treatment" purpose of use and 982 electronic health summaries have been retrieved by VA from an NwHIN private partner supporting the "treatment" purpose of use. System performance is being monitored. Surveys of Veterans and clinical users about their perception of VLER Health are pending. Scalability issues that may impact the timeline and VLER Health geographic deployment such NwHIN system capacity, automated interoperability testing for new private sector health information exchange partners, the availability of successful identity matching traits, and automated Veteran authorization processes are still being addressed by VA, the NwHIN Exchange and the HHS Office of the National Coordinator for Health IT (ONC). The deployment of an "NwHIN Direct" project (secure one-way email) is being removed as *Go/No Go* criterion for VLER Health as the decision should only address the NwHIN Exchange bi-directional exchange capabilities. Final *Go/No Go* criteria reports will not be available until the conclusion of the Performance and Measurement and Analysis period, June 11, 2012.

Question 20. Please describe the organizational structure, and governance and programmatic hierarchies, for the development, implementation, and rollout of the VLER functional capabilities other than health, e.g., personnel and military history and benefits; and delineate the area(s) of responsibility for which VA, DOD and the VA/DOD Interagency Program Office (IPO) is each responsible.

Response. The VA/DOD Joint Executive Council (JEC), Benefits Executive Council (BEC), and Benefits Information Sharing/Information Technology Working Group (BEC IS/IT) provide the structure and governance for decisionmaking and

prioritization of non-health (benefit) functional capabilities (e.g., Disability Claims Adjudication). The BEC IS/IT is responsible to jointly develop use cases and benefit requirements. It recommends priorities, objectives and metrics to the BEC, who forwards to the JEC for approval. Once approved, and documented in the VA/DOD Joint Strategic Plan, the Departments proceed to execute and implement material and non-material solutions.

The BEC IS/IT meets frequently to review and monitor progress to ensure delivery of capabilities as jointly planned. Issues are escalated to the BEC when required. Generally, the IPO only participates in benefits related capability discussions when health data is required to adjudicate a claim.



Integrated Electronic Health Record (iEHR)

Question 21. VLER CONOPS, dated April 8, 2011, identifies as a risk and issue:

Synchronization: iEHR, VLER, and other interagency data exchange efforts are not synchronized. DOD and VA senior leadership must establish appropriate authoritative governance and programmatic infrastructure.

According to the meeting minutes from the SECDEF/SECVA meeting held on June 23, 2011: "[t]o ensure the synchronization of iEHR and VLER initiatives, both efforts will be managed by the iEHR Program Executive."

a. Please define synchronization as used in CONOPS and the SECDEF/SECVA meeting minutes, and as applied to the iEHR and VLER initiatives.

Response. Per the Interagency Program Office (IPO) Charter, "synchronization" can be defined per the following:

> "* * * Derived Authorities from the Departments. To ensure the IPO fulfills its purpose and mission, the Secretary of Defense and the Secretary of Veterans Affairs, respectively, delegate to the Director of the IPO, their authorities to:
>
> i. Acquire, develop, and implement-to include financial management, and information technology (IT) systems acquisition and development-all common DOD/VA EHR and VLER Health systems, capabilities, and initiatives, as defined by the iEHR and VLER enterprise architectures.
>
> ii. In collaboration with the HEC and BEC, collect and integrate the Departments' EHR and VLER Health functional requirements into program roadmap(s)/integrated master schedule.
>
> iii. Develop and propose the interagency budget and acquisition strategies to meet integrated interagency requirements.
>
> iv. Direct the Departments' personnel resources supporting related interagency initiatives."

b. Has such synchronization between the initiatives been achieved? If not, detail the steps taken, to date, to achieve synchronization.

Response. "Synchronization," per the charter above, is still being implemented at the IPO. IPO Advisory Board, Leadership, Program Management and project progress meetings are attended by VLER Health and iEHR Program Managers and the IPO Technology Director. All have offices at the IPO and have begun coordination on all levels of program implementation to ensure progress and coordination on strategies, planning, and program management activities. At least one IPO technical office, Standards and Interoperability, is already equally supporting iEHR and VLER Health with the same leadership staff and using the same methodologies.

c. What remaining challenges must be overcome before full synchronization is achieved?

Response. Full synchronization can be achieved when both the Departments and the IPO move forward with a comprehensive implementation scope for both iEHR and VLER Health. iEHR planning documents described in response to question 24 in this document are not completed and the decision to implement VLER health nationally has not yet been made. The Departments have made significant progress in overcoming previous challenges by enhancing IPO's staffing levels and signing a new IPO charter.

d. Has synchronization been impacted by the delay in hiring a permanent Program Executive? If so, detail the steps taken to mitigate this impact.

Response. No. VA executive sponsors for the iEHR, VLER and the IPO and highly engaged IPO interim leadership appointed experienced senior program staff in 2011 to begin work toward synchronizing this work in the IPO.

Question 22. Please describe how investments made in VLER will be leveraged during development and implementation of the iEHR. For example, detail how investments in VLER data-sharing capabilities of foundational health care data and architecture can and will be incorporated into the iEHR.

Response. The Virtual Lifetime Electronic Record (VLER) enables the sharing of comprehensive health, benefits, and administrative data between the Departments of Defense (DOD) and Veterans Affairs (VA) from the time an individual enters the service until the final benefit is administered. In addition, VLER supports sharing of health data with private healthcare providers through the Nationwide Health Information Network (NwHIN). This comprehensive health data will be foundational to the integrated Electronic Health Record (iEHR) effort which seeks to develop and implement shared electronic record (EHR) capabilities in the Departments. The combination of the comprehensive patient health data from VA, DOD and private healthcare partners through VLER and the state-of-the-art EHR tools through iEHR will enable providers at both Departments to deliver the highest quality of healthcare to Servicemembers and Veterans.

Question 23. Please report on the status of the "budget quality" implementation plan and the iEHR Independent Cost Estimate. For each document:

a. Has the document gone through concurrence and received all necessary approvals?

b. If available, please provide a copy of the document.

c. If the document has not yet received final approval, please provide an expected approval date.

Response: Effective October 27, 2011, based on the re-chartering of the IPO, DOD and VA initiated activity to establish a joint program baseline for the iEHR. As a result, the iEHR program is developing documentation that will contain sufficient program and technical information for independent cost activity to be completed. This documentation will be available by the end of the fourth quarter FY 2012.

Question 24. Provide a copy of the iEHR Project Plans and any related documents (artifacts) including but not limited to: the iEHR Strategic Plan, Concept of Operations, Program Management Plan, Joint Master Test Plan, Joint Integrated Master Schedule, Joint Evaluation Plan for Success, Joint Business and Technical Requirements, Risk & Issues Management Plan, Communications Plan, Change Management Plan, and Quality Management Plan.

Response. The iEHR program is in the Planning State. As part of its focused effort to establish Program Management discipline and standards, the content of the Program Plans and related documents (artifacts) noted in this Question For the Record (QFR) will be contained in program documentation currently in development. As program documentation becomes available, we commit to sharing final versions with the Committee. The iEHR FY 2012 Execution Plan and Program Management Plan are in development. These documents will serve as a basis for the iEHR organizational Concept of Operations.

ACQUISITION & CONTRACTING

Question 25. The President's FY 2012 Budget Submission for VHA, at page 1A–4, estimated $355 million in operational improvements and savings from "acquisition improvements."

a. Please identify, by business line, whether such operational improvements and savings are on track to be realized during FY12.

Response. In its FY 2012 budget submission, VA identified $1.2 billion in operational improvements, of which $355 million was identified as savings resulting from acquisition improvements. Individual VISN targets were set as a percentage of FY 2008 spend. Initial FY 2012 roll-out included initiatives carried over from the OMB-mandated FY10–11 Acquisition Savings program (OMB Memorandum M–09–25, Improving Government Acquisition, July 29, 2009). VHA is currently collecting savings data under these initiatives as appropriate.

Concurrently, VHA convened an interdisciplinary Tiger Team in late Q1 of FY 2012 to review and revise the VHA-specific acquisition savings initiatives based, in part, on input received from the Government Accountability Office (GAO) and the Office of Inspector General (OIG). That group was chartered with providing recommendations to improve the program. Specifically, the group has been charged with proactively addressing anticipated issues from reviews; providing more rigorous definitions, methodology, documentation, review/internal auditing for the program; identifying new initiatives; identifying other savings/avoidance areas not previously captured; removing any carry-over initiatives that risk double counting with other operational improvement initiatives; and consolidating initiatives as necessary to ensure more rigorous methodology. The team recommendations are anticipated for delivery on or about March 1.

Savings by Service Line

In preliminary analysis, VA has identified initial FY 2012 savings goals for initiatives as identified in the FY 2010–2011 OMB program.

OMB Initiative Grouping	VA Initiative Number and Title	Expected 2012 Savings (Goal)	Percentage of Goal
	26—Reduce VHA Contracts	$10,000,000	2.82%
	14—Increase Competition VHA	5,000,000	1.41
	15—Bring Back Contracts—COE	10,000,000	2.82
	13—Consolidated Contracting	192,000,000	54.08
	24—Reverse Auctions Utilities	40,000,000	11.27
	25—Med/PDB	2,000,000	0.56
	27—Property Reutilization	20,000,000	5.63
	28—Prime Vendor	1,000,000	0.28
	50—Increase Negotiation	75,000,000	21.13
	Total VA Acquisition Savings	$355,000,000	100.00%

These savings percentages are considered estimates and will be revised as necessary. This initiative list does not include any new initiatives or reporting entities that have been identified as part of the Tiger Team's review. It is important to note that to ensure that VISNs have maximum flexibility to achieve goals, yearly savings goals will be Network-based as opposed to initiative-based. Networks will be permitted to identify the savings mechanisms/initiatives that best suit their needs.

b. If VHA will not fully achieve such improvements and savings during FY 2012, please explain why.

Response. At this time, VHA anticipates meeting the $355 million FY 2012 goal. As of the January report, VHA stood at 7.2% of annual goal. Upon the adoption of the Tiger Team recommendations, VHA will revise its monthly reports to include previously unreported initiatives and reporting offices. Additionally, some reporting mechanisms for current initiatives provide quarterly reports on or after the 15th of the month following the end of the Quarter. VHA anticipates that these unreported initiatives and offices as well as increased reports from existing initiatives will provide an increased accounting of YTD savings achieved.

DISCHARGE CHARACTERIZATIONS AND VA BENEFITS AND OTHER POLICIES

Question 26. According to recent reports, certain Veterans discharged for homosexual conduct pre-Don't Ask Don't Tell (DADT) or under DADT continue to be adversely impacted by their discharge characterization. In some instances, LGBT vet-

erans have been denied access to VA benefits because of their discharge characterization.

With the repeal of DADT, and the adoption of a new regulatory framework allowing open service, veterans discharged under DADT and pre-DADT for homosexual conduct may now be eligible for discharge upgrades and restoration of VA benefits. Please describe:

a. The steps taken by VA to evaluate the number of veterans who were and continue to be denied VA benefits because of an adverse discharge characterization under DADT or based upon the pre-DADT regulatory scheme.

b. The steps taken or that will be taken by the Department to ensure full restoration of VA benefits to those veterans who would otherwise be eligible but for their adverse discharge characterization under DADT or based upon the pre-DADT regulatory scheme.

Response. When an individual files a claim for benefits, the Veterans Benefits Administration (VBA) is responsible for reviewing the character of discharge (COD) provided by the military services. An "Honorable" discharge is binding on the Department of Veterans Affairs (VA). Under 38 U.S.C. 5303, a discharge under certain specified conditions bars eligibility for VA benefits, regardless of the COD, unless it is determined that the individual was insane when committing the acts that resulted in the discharge (see 38 CFR 3.354(b)).

In other cases, if the COD is an undesirable discharge, an other than honorable discharge, or a bad conduct discharge, VBA makes a determination whether the discharge was under dishonorable conditions for the purpose of determining benefit eligibility. When making that determination, VA is bound by the criteria stated in 38 CFR 3.12(d). Those criteria do not indicate, nor have they in the past, that VA may find a Veteran ineligible for benefits based on violation of the Don't Ask Don't Tell (DADT) policy. Because it is not VA policy to terminate or deny benefits based on violation of DADT, there would be no need to review cases for these actions.

As stated in 38 CFR 3.12(d)(5), a discharge may be considered to have been issued under dishonorable conditions if the reason for discharge was based on: "Homosexual acts involving aggravating circumstances or other factors affecting the performance of duty. Examples of homosexual acts involving aggravating circumstances or other factors affecting the performance of duty include child molestation, homosexual prostitution, homosexual acts or conduct accompanied by assault or coercion, and homosexual acts or conduct taking place between servicemembers of disparate rank, grade, or status when a servicemember has taken advantage of his or her superior rank, grade, or status." This criterion does not apply to or address DADT.

If a Veteran received a "Dishonorable" discharge from his or her branch of service based on DADT, the individual would need to apply to that service department requesting an upgraded discharge.

When VA notifies a claimant of an unfavorable COD determination, the notification letter includes instructions on how to apply to the Service Department Discharge Review Board to change the character of a discharge and how to apply for a correction of military records through the Service Department Board for Correction of Military Records. Enclosed with the letter is a copy of the DD Form 293, Application for the Review of Discharge or Dismissal from the Armed Forces of the United States, and a copy of the DD Form 149, Application for Correction of Military Records. The addresses for the Service Departments are listed on the back of each form.

Question 27. The Department has taken preliminary steps to ensure that VA is a welcoming place for LGBT veterans and their families. Please describe in detail the steps taken, and that will be taken, by the Department to ensure that VA is a welcoming place for LGBT veterans and their families.

Response. VA is taking steps to ensure that its health care system is more inclusive through the creation of an Office of Health Equity, visitation policies, and new training programs. The Department's recently established Office of Health Equity (OHE) brings focus on its efforts to provide a more equitable health care system and improve overall quality of care through health equity. Among many other projects, OHE will work to eliminate health treatment disparities among LGBT, women, and minority Veterans. Over the next year, OHE will implement an integrative action plan to achieve health equity for all Veterans receiving VA health care services, including LGBT Veterans. VA's visitation policies are supportive of the rights of Veterans' same-sex partners, and the right of Veterans to name same-sex partners as their surrogate decisionmakers. To reinforce the Department's focus and commitment to equitable visitation rights and the appropriate implementation of this policy, the Veterans Health Administration's (VHA) Deputy Under Secretary for Health Operations and Management required all of VA's network directors and chief medical officers to ensure all facilities have a written policy in place and that these poli-

cies are consistent with the new Joint Commission definition of "family." The Joint Commission defines "family" as a person or persons who play a significant role in an individual's life. VA is also developing training programs targeted to mental health and women's health providers on services for transgender Veterans. The goals of these programs are to increase awareness of the psychological and emotional needs of transgender Veterans and address the needs of different groups of clinical providers.

In terms of benefits, VA awards benefits to all eligible Veterans and does not discriminate on the basis of sexual orientation.

VA has also created a more inclusive workplace for its LGBT employees through enhanced policy initiatives, training programs, and outreach and awareness activities.

• The Department added gender identity and parental status to the list of protected bases in the Secretary's Policy Statement. The Department also implemented an internal complaint process to provide formal redress for complaints based on sexual orientation. Most recently, VA's Diversity Council launched a LGBT work group to address emerging LGBT issues in the Department's workforce and service delivery. In addition, VA is adding a survey item in its Voice of VA Survey to assess perceptions of fairness and treatment of LGBT employees.

• In terms of training, the Department has conducted training workshops to educate its leadership and workforce on issues of cultural competency for the LGBT community. VA has also implemented Mandatory EEO, Diversity, and Conflict Management Training for Managers and Supervisors covering LGBT diversity. In fiscal year 2011, over 27,000 executives, managers, and supervisors were trained.

• Finally in terms of outreach, the Department conducted outreach and awareness activities focused on LGBT issues. Within the past year, VA held its third annual LGBT Program to increase awareness of LGBT issues in the workplace and in our service population. Additionally, the Department also convened its third LGBT Observance Program that focused specifically on the needs of LGBT Veterans. Moreover, VA has engaged the National Coalition of LGBT Health, which represents over 70 LGBT organizations, in a dialog about emerging LGBT issues and their impact on VA health care and benefits services.

RESPONSE TO PREHEARING QUESTIONS SUBMITTED BY HON. RICHARD BURR TO U.S. DEPARTMENT OF VETERANS AFFAIRS

GENERAL

Question 1. In connection with the Department of Veterans Affairs (VA) fiscal year 2011 budget request, VA indicated in response to questions about the method of travel used by employees of the Office of the Secretary that "travel regulations address the allowable modes of travel for reimbursement purposes, but the *predominant method* of travel has and will continue to be commercial airlines" [emphasis added].

a. For fiscal years 2009, 2010, and 2011, please identify the number of trips taken each year by senior VA personnel (Presidential Appointee with Senate Confirmation (PAS), career or non-career General Schedule (GS) employees, career or non-career Senior Executive Service (SES) or SES Equivalent, consultant, contractor, etc.) using a military or other government-provided aircraft.

Response. Total number of trips taken each fiscal year using military or other government-provided aircraft are as follow:

Fiscal Year 2009—total of 3 trips
Fiscal Year 2010—total of 12 trips
Fiscal Year 2011—total of 4 trips

b. For each trip during those years where a military or other government-provided aircraft was utilized for travel, please identify: (1) the purpose of the trip, (2) the destination of the trip, (3) the duration of the trip, (4) the number and title of any VA employees (PAS, career or non-career GS employee; career or non-career SES or SES Equivalent, consultant, contractor, etc.) who were passengers on the aircraft, (5) the total cost to the Federal Government to operate the aircraft used for the trip, (6) the amount of any reimbursement VA provided to the Department of Defense, a military service, or another government entity in connection with the trip, (7) the justification for using military or other government-provided aircraft rather than a commercial airline, and (8) all supporting documentation, the agenda, and the itinerary related to the trip, as well as copies of any memoranda, reviews, comments and/or opinions rendered by VA's Office of General Counsel regarding the trip.

Response. [Extensive supporting documentation is held in Committee files.]

For fiscal years 2012 and 2013, please identify the number of trips that have been taken or are expected to be taken by senior VA personnel (PAS, career or non-career GS, career or non-career SES or SES Equivalent, consultant, contractor, etc.) using a military or other government-provided aircraft.

Response. As of March 29, 2012, in fiscal year 2012 VA did not usemilitary or other government-provided aircraft for any trips. In fiscal year 2013, VA may use military or other government-provided aircraft but no estimates are currently available. Cost figures can only be provided once travel is complete. For every official trip conducted by the Secretary, a cost analysis is made to determine efficiencies that may warrant a request for military air. If military air is requested, the provisions of 41 CFR 101–37 are met using the appropriate decision process outlined in OMB Circular A–126 and each request is submitted to the Agency General Counsel for review and approval.

c. In total, for fiscal year 2012, how much (if any) is expected to be spent by VA in order to pay for transportation by military or other government-provided aircraft?

Response. As of March 29, 2012, in fiscal year 2012 VA did not use military or other government-provided aircraft for any trips. No estimates are currently available and cost figures can only be provided once travel is complete. For every official trip conducted by the Secretary, a cost analysis is made to determine efficiencies that may warrant a request for military air. If military air is requested, the provisions of 41 CFR 101–37 are met using the appropriate decision process outlined in OMB Circular A–126 and each request is submitted to the Agency General Counsel for review and approval.

d. In total, for fiscal year 2013, how much (if any) is requested in order to pay for transportation by military or other government-provided aircraft?

Response. In fiscal year 2013, VA may use military or other government-provided aircraft but no estimates are currently available. Cost figures can only be provided once travel is complete.

Question 2. In October 2011, the House of Representatives passed H.R. 2302, which included a provision that would require VA to submit to Congress quarterly reports outlining the cost for conferences or meetings sponsored by VA that have at least 50 attendees or cost $20,000 or more.

a. During fiscal year 2011, how many conferences or meetings did VA sponsor that met those criteria and what was the total cost of those conferences and meetings?

b. During fiscal year 2012, how many conferences or meetings does VA expect to sponsor that meet those criteria and how much in total is expected to be expended on those conferences or meetings?

c. For fiscal year 2012, please identify the 25 most expensive conferences or meetings already sponsored or expected to be sponsored by VA, the locations of those conferences or meetings, and the purposes of those conferences or meetings.

d. For fiscal year 2013, what is the total amount requested for purposes of holding conferences or meetings that meet those criteria and how many conferences or meetings would that funding level support?

Response. [These questions are repeated and answered in posthearing questions, section GENERAL, Question 3, a–f.]

Question 3. During fiscal year 2010, VA created the National Outreach Office in the Office of Public and Intergovernmental Affairs with the stated goal to "standardize how outreach is being conducted throughout VA." In follow-up questions to the hearing on the fiscal year 2012 budget, VA was asked to provide the total amount VA, as an enterprise, spent on outreach during fiscal year 2010. VA responded by stating, "[w]hile we are not currently able to extract the total spending for outreach across the department for [fiscal year] 2010 and [fiscal year] 2011, we are working diligently toward that goal for [fiscal year] 2012."

a. Please provide the total amount VA spent on outreach during fiscal year 2010 and fiscal year 2011 and estimates for how much will be spent during fiscal years 2012 and 2013. The data should include a breakdown of money spent by VA Central Office, Veterans Integrated Service Networks (VISNs), Regional Offices, and VA medical centers.

Response. VA created the National Veterans Outreach Office (NVO) within the Office of Public and Intergovernmental Affairs (OPIA) in FY 2010 to coordinate outreach throughout VA, and to standardize outreach-related activities. The NVO has made considerable progress in researching and analyzing VA's outreach programs and activities in 2011, and has already developed a framework to track outreach efforts that are part of VA's major initiatives. The final frameworkincludes building a process for VA's administrations (Veterans Health Administration, Veterans Benefits Administration and National Cemetery Administration) and staff offices to:

• provide Veterans with high-quality products and information on activities that are consistent;
• provide trained outreach coordinators to assist Veterans;
• evaluate and develop metrics to measure the effectiveness of outreach programs; and
• track costs associated with outreach programs.

The embedded table, previously provided to the Committee in March 2012, gives expenditure data on advertising outreach, a component of VA's outreach efforts. Outreach through advertising is targeted to helping VA reach Veterans who may be contemplating suicide; struggling with homelessness, unemployment, or mental illness; for those Veterans who live in rural areas; to make Veterans aware of available benefits and services; and VA hiring and recruitment. Table 1 details VA advertising activities and obligations for the period 2009–2012 and planned for 2013.

The mechanisms for advertising outreach activities have included Public Service Announcements, multi-media projects, Internet promotion, transportation and billboard advertisements. Outreach activities and events for Homeless Veterans Outreach, Health Benefits Awareness, Mental Health Awareness, Women Veterans Outreach and Suicide Prevention Outreach will continue in 2013 using earned media, including news releases, social media, fact sheets, printed materials, etc. FY 2013 funding to supplement these activities with paid advertising will be determined as part of the operational planning process.

DEPARTMENT OF VETERANS AFFAIRS – MAY 2012

Table 1

Department of Veterans Affairs

Advertising Outreach Activities, 2009-2013

	2009	2010	2011	2012	2013	Total, 2009-2013
Veterans Health Administration (VHA)						
Veterans Awareness Outreach	--	5,000,000		7,500,000	7,500,000	15,000,000
Homeless Veterans Outreach	--	--	5,000,000	5,000,000	--	10,000,000
Health Benefits Awareness	--	15,000	1,288,645	197,775		1,501,420
Mental Health Awareness	--	--	--	6,000,000	--	6,000,000
Women Veterans Outreach	--	--	6,000	--	--	6,000
Suicide Prevention Outreach	1,831,467	2,527,610	750,000	750,000	--	5,859,077
Other Outreach(1)	4,200,000	16,500,100	4,207,500	12,508,925	--	37,416,525
Subtotal, VHA	***6,031,467***	***24,042,710***	***11,252,145***	***31,956,700***	***7,500,000***	***80,783,022***
Veterans Benefits Administration (VBA)						
Post-9/11 GI Bill Awareness	--	2,121,726	51,260	--	--	2,172,986
Benefits Awareness	5,500	--	656,417	3,200	--	665,117
Other Outreach (1)	3,285	529	61,261	3,300	--	68,375
Subtotal, VBA	***8,785***	***2,122,255***	***768,938***	***6,500***	--	***2,906,478***
General Administration						
Other Outreach(1)	--	5,700	2,500	--	--	8,200
Subtotal, GenAd	--	***5,700***	***2,500***	***0***	***0***	***8,200***
TOTAL	**$6,040,252**	**$26,170,665**	**$12,023,583**	**$31,963,200**	**$7,500,000**	**$83,697,700**

Note:

/1/ "Other Outreach" includes healthcare recruitment, other job recruitment, website promotion, and job fairs.

b. Does standardizing the outreach efforts of VA include coordinating projects and initiatives at all levels of the organization? If so, please detail how the National Outreach Office has met these goals and please describe what new initiatives the office is undertaking to that end.

Response. Yes, but it is important to note that OPIA only has supervisory authority over those personnel who are assigned or detailed to the National Veterans Outreach Office. In addition, hundreds of other VA employees enterprise-wide assigned to VBA, VHA and NCA are typically involved in outreach activities on any given day; those employees work for and respond to their respective chain of command. In an effort to better coordinate the outreach efforts of all VA employees, VA established a workgroup made up of representatives from VHA, VBA and NCA and VA staff offices, including: Centers for Women and Minority Veterans, Small and Disadvantaged Business Utilization, Homeless Veterans Initiatives Office, Center for Faith Based and Neighborhood Partnerships, and others. In 2011, the NVO held

workgroup meetings to solicit input and ideas from headquarters and field facilities; and built buy-in for development and implementation of the plan to coordinate outreach activities and initiatives. OPIA held a national training conference in which "Outreach Day" was a major activity to orient VA's professionals to the outreach plan and obtain their final comments on developing a series of products and resources to improve outreach coordination, collaboration and uniformity across VA. Recognizing the need for centralized outreach management, NVO has developed the first capability to provide critical and consistent information to VA's Outreach community:

• An intranet site that houses important information to enhance how VA Outreach coordinators execute outreach including policies and procedures, the National Veterans Outreach Guide, links to the Congressionally mandated 2010 Biennial Report to Congress on the VA's outreach activities, and other links.

• An online National Veterans Outreach Guide that provides best business practices, expert recommendations, proven examples of successful VA outreach activities in serving Veterans, and lessons learned. This guide outlines processes for how to conduct outreach events, track expenditures, measure the success of activities and tap into key VA resources and contacts, plus so much more.

• Next steps include finalizing a proposal for a robust National Veterans Outreach System (NVOS) which will allow VA Outreach leaders to populate a series of fields with information about planned outreach activities. The NVOS will be an interactive tool that allows users to systematically and uniformly enter, store, organize, view, retrieve and report outreach-related data easily. The goal of the database is to provide a more advanced, easy-to-use tool that may either be used in concert with existing data collection methods or replace less efficient and effective approaches. It will also provide the data necessary to extract any number of data pulls including the costs associated with outreach in a fiscal year and the number of events executed.

Question 4. During this year's State of the Union, the President proposed the Veterans Job Corps. The 2013 VA Budget Fast Facts describes the program as follows: "A Presidential initiative of $1 billion over the next five years to establish a conservation program impacting up to 20,000 veterans to protect and rebuild America's land and resources."

a. Describe in detail how the initiative would be administered. Please include information on which other agencies would participate, what the responsibilities would be of the non-VA agencies, what types of jobs are envisioned through the initiative, and what criteria would be used to select participating veterans.

Response. The Veterans Job Corps proposal, which requires legislative authorization and funding from Congress, will focus on employment for all Veterans, but will focus on Post-9/11 Veterans. The initiative will put returning Veterans back to work on projects building on their military experiences and skills—from serving on conservation projects to restore and protect public lands and resources to serving our communities as law enforcement officials and firefighters.

The Department of Veterans Affairs (VA) will coordinate a Federal Steering Committee that will evaluate competing proposals from implementing Federal agencies, and would be authorized to transfer funding to those agencies for approved projects. VA will serve as the lead for the Federal Steering Committee, which will be composed of policy officials representing implementing Federal agencies. The United States Department of Agriculture (USDA), the Department of Interior (DOI), National Oceanic and Atmospheric Administration (NOAA) at Department of Commerce, and the Department of Defense (DOD) Army Corps of Engineers (ACOE) are envisioned as the implementing agencies that will execute a range of conservation and infrastructure projects in our local, state, and national parks, forests, marine sanctuaries, and other public lands. The Department of Justice and the Department of Homeland Security are envisioned as the implementing agencies that will issue grants to local entities to hire Veterans as law enforcement officials and firefighters.

As proposed, project proposals would be submitted by the USDA, DOI, NOAA, and ACOE in conjunction with state and local agencies and other stakeholders. Grants for law enforcement officers and firefighter will be evaluated using existing program criteria, in addition to the number of Veterans that can be hired. Federal land management agency projects would be evaluated using basic threshold requirements, such as whether the project provides conservation or recreation benefits on public lands and waters and if the project is ready to be implemented. Other likely project selection criteria will include the number of Veterans that can be hired and other benefits to Veterans, such as long-term career development and educational opportunities. We expect that many Veterans would be hired by DOI and USDA to address outstanding maintenance issues in national parks, refuges, forests, and other

Federal public lands, as well as by state resource management agencies where Veterans can do similar work on state and local lands.

The projects would be implemented through contracts to businesses, cooperative agreements and grants to non-Federal entities, and direct hiring of a small number of Veterans for temporary positions. VA will leverage existing on-line resources to coordinate efforts among stakeholders and match Veterans with employment opportunities. VA would also develop a framework for monitoring and evaluating progress to ensure proper oversight and accountability.

b. Please describe the program in detail, including the amount of payments, subsidies, and benefits veterans would receive through this program; how much it would cost per participant; what opportunities veterans would have to continue working for the Federal agency after completing the program; and how much of the overall programmatic cost would go toward administration.

Response. Details of the Program will be finalized as part of the ongoing discussion between the Administration and Congress on this proposal. The amount of payments and subsidies, the number of Veterans served, and the future employment opportunities will depend on the submissions of projects to the VA-led Steering Committee, that will disburse funds for the proposals which will provide the greatest benefits to our Nation's Veterans.

c. If the initiative would require $1 billion in mandatory funding over the next five years, what VA program changes would VA propose to offset this funding increase?

Response. All of these proposals are included in the President's FY 2013 Budget.

In September the Administration put forward the American Jobs Act together with a plan for deficit reduction that had a net savings of $4 trillion. The Administration is willing to work with Congress to draw on that list to find mutually acceptable pay for options.

Question 5. In 2010, VA began operating the Fast Track Claims Processing System to process claims for three conditions presumed to be related to Agent Orange exposure. The fiscal year 2013 budget request reflects that "analysis and planning regarding system retirement will be conducted in [fiscal year] 2012."

a. To date, how much in total has been spent (from any account) on developing, enhancing, and operating the Fast Track Claims Processing System, including funds for contractor support?

Response. To date, $11.3 million has been spent on Fast Track development, enhancement, and operations.

b. Is any funding (from any account) requested in the fiscal year 2013 budget in order to operate, expand, or retire the Fast Track Claims Processing System?

Response. The budget request for Fast Track is $1.8 million annually for operations and maintenance.

c. Since its inception, how many claims have been filed by claimants on-line using this system?

Response. As of February 24, 2012, 4,288 claims have been filed by claimants using the on-line system.

d. How many claims have been processed through the Fast Track system and how long on average did it take to complete those claims?

Response. As of February 24, 2012, 14,933 claims have been processed through Fast Track. Of these, over 10,000 were incorporated into Fast Track by Veteran Service Representatives on behalf of the claimants. The average time to complete Fast Track claims is 135 days.

e. How many Fast Track claims are currently pending and how long on average have they been pending?

Response. As of February 24, 2012, 26,848 claims were pending for approximately 125 days on average.

f. What, if any, changes have been made in the manner, means, or method of implementing the Fast Track Claims Processing System, either in the field or within the headquarters of the Veterans Benefits Administration, since it began in 2010?

Response. VA has made the following changes to Fast Track since 2010:

- Developed and deployed an easy to use interface for the input of Disability Benefits Questionnaires (DBQs) for both the public and VA users;
- Developed and deployed a "Short Form" to allow VA users to quickly input essential data into Fast Track since Fast Track is a stand-alone system which cannot pull data from VA's Corporate database; and
- Added the ability to generate or suppress letters to Veterans and physicians to allow VA users more flexibility in corresponding with Veterans and their physicians.

Question 6. In the budget request, VA requested an additional $165 million to the enacted fiscal year 2013 appropriations for medical care. In briefing slides provided to the Committee staff, VA indicates this increase in funding request is due to "[a]nnual update of actuarial model and long-term care estimates" and "[e]nhanced funding provided to meet facility activations, implementation of the Caregivers Act, and other strategic initiatives such as ending Veteran homelessness."

a. Please provide the Committee with a more detailed justification for the additional funding request, broken down by program and initiative.

Response. For FY 2013 there were changes in the adjusted actuarial estimates for health care, the estimates for long-term care, the estimates for other health programs (i.e., CHAMPVA), and obligations as shown below ($ in millions):

Adjusted actuarial estimates	$(1,715)	
Long-term care	(271)	
Other health programs	(119)	
Total reductions	(2,105)	
Less reduction in obligations	110	(detail composition below)
Total net reduction in estimates	(1,995)	(detail below)
Composition of reduction in obligations:		
Appropriation request increase	165	
Reimbursement increase	50	
Collection decrease	(325)	
Net reduction in obligations	(110)	
Details of investment of $1,995:		
Zero homelessness	892	
Activations	448	
New Models of Care	433	
Expand Health Care Access	120	
Caregivers	30	
Improve Mental Health	20	
Other	52	
Total	$1,995	

b. Please identify which facility (new VA hospital, Community Based Outpatient Clinic (CBOC), Outreach Clinic, etc.) activations would be supported with this increase in funding.

VHA Response: The activation funding requested in the FY 2013 Advance Appropriation (FY 2012 President's Budget) was $344 million plus the activation increase requested in the FY 2013 President's Budget (see response to question 6a above), which was $448 million. This equals a total of $792M for FY 2013 activations. The specific projects making up the $792M are listed in the table below.

VISN	Location	State	Project Name	FY13 Total
1	Boston	MA	Boston - Outpatient ClinicLease	250,989
4	Pittsburgh	PA	Pittsburgh - Medical Center Consolidation (OV)	13,138,176
6	Fayetteville	NC	Fayetteville - Health Care CenterLease	43,417,441
6	Charlotte	NC	Charlotte - Health Care CenterLease	42,986,894
6	Winston-Sal	NC	Winston-Salem - Health Care CenterLease	41,528,288
6	Wilmington	NC	Wilmington - Outpatient ClinicLease	17,462,966
6	Greenville	NC	Greenville NC - Outpatient ClinicLease	13,939,892
7	Columbus	GA	Columbus - Community-Based Outpatient ClinicLease	8,445,794
7	Huntsville	AL	Huntsville - Outpatient ClinicLease	6,122,203
7	Birmingham	AL	Birmingham - Clinical Annex/Outpatient ClinicLease	3,782,196
7	Anderson	SC	Anderson - Outpatient ClinicLease	761,505
7	Greenville	SC	Greenville SC- Outpatient ClinicLease	482,936
7	Atlanta	GA	Atlanta - Specialty CareLease	14,334,460
7	Montgomer	AL	Montgomery - Health Care CenterLease	11,037,525
7	Hinesville	SC	Hinesville - Community-Based Outpatient ClinicLease	9,106,926
7	Savannah	GA	Savannah - Community-Based Outpatient ClinicLease	7,989,112
8	Bay Pines	FL	Bay Pines - Inpatient/Outpatient Improvements	322,087
8	San Juan	PR	San Juan - Seismic Corrections Bldg. 1 (OV)	8,188,453
8	Tampa	FL	Tampa - Polytrauma and Bed Tower (OV)	3,756,014
8	Tallahassee	FL	Tallahassee - Outpatient ClinicLease	41,255,651
8	Tampa	FL	Tampa - Primary Care AnnexLease	8,008,680
8	Brandon	FL	Brandon - Outpatient Clinic (Tampa)Lease	7,485,513
11	South Bend	IN	South Bend - Community Based Outpatient ClinicLease	4,467,642
11	Grand Rapid	MI	Grand Rapids - Community Based Outpatient ClinicLease	16,977,340
11	Fort Wayne	IN	Fort Wayne - Community Based Outpatient ClinicLease	783,348
12	Green Bay	WI	Green Bay - Outpatient ClinicLease	59,792,431
15	Columbia	MO	Columbia - Operating Suite Replacement	7,867,043
15	St. Louis (JB	MO	St. Louis (JB) - Med Facility Improv & Cem Expansion (OV)	5,951,838
15	Kansas City	KS	Kansas City - Community-Based Outpatient ClinicLease	6,034,292
16	New Orleans	LA	New Orleans - Restoration/Replacement Medical Facility (OV)	78,326,775
16	Springfield	MO	Springfield - Community-Based Outpatient ClinicLease	4,472,887
16	Mobile	AL	Mobile - Outpatient ClincLease	1,512,723
17	Austin	TX	Austin - Outpatient ClinicLease	12,810,391
17	McAllen	TX	McAllen - Outpatient ClinicLease	1,770,830
18	Mesa	AZ	Mesa - Satellite Outpatient ClinicLease	24,559,679
19	Denver	CO	Denver - Replacement Medical Center Facility (OV)	115,715,592
19	Colorado Sp	CO	Colorado Springs - Community-Based Outpatient Clinic RelocationLease	16,586,626
19	Billings	MT	Billings - Satellite Outpatient ClinicLease	7,423,558
20	Seattle	WA	Seattle - Correct Seismic Deficiencies B100, NT & NHCU	8,609,778
20	Walla Walla	WA	Walla Walla - Multi Specialty Care (Overview)	23,559,980
20	Salem	OR	Salem - Community-Based Outpatient ClinicLease	2,568,506
20	Eugene	OR	Eugene - Community-Based Outpatient ClinicLease	21,511,332
21	Palo Alto	CA	Palo Alto - Centers for Ambulatory Care and Polytrauma Rehabilitation	10,357,494
21	Monterey	CA	Monterey - Health Care CenterLease	10,000,736
21	San Francisc	CA	San Francisco - Research LeaseLease	1,875,873
22	Loma Linda	CA	Loma Linda - Health Care CenterLease	32,490,868
22	San Diego	CA	San Diego - Outpatient ClinicLease	12,512,039
			Total	792,343,302

Question 7. Under the Veterans Health Care Budget Reform and Transparency Act of 2009, VA is able to update the current fiscal year budget estimate for medical care, as well as provide a request for the following fiscal year advance appropriations for medical care. In the President's budget request, VA indicates that "VA was able to re-invest over $2 billion in both 2012 and 2013 in high priority medical programs." Please provide a detailed breakdown of what programs this funding was "re-invested" in and please detail how this increase in funding would be utilized for each program.

Response. The data for FY 2013 is provided in response to question 6a above. For FY 2012 there were changes in the adjusted actuarial estimates for health care, the estimates for long-term care, the estimates for other health programs (i.e., CHAMPVA), and obligations as shown below ($ in millions):

Adjusted actuarial estimates	$(2,559)	
Long-term care	(210)	
Other health programs	(115)	
Total reductions	(2,884)	
Less reduction in obligations	698	(detailed composition below)
Total net reduction in estimates	(2,186)	(detail below)
Composition of reduction in obligations:.		
Appropriation change	000	
Transfer to Joint DOD-VA DemoFund	(234)	(North Chicago)
Transfer to DOD-VA Fund	(15)	(Health Sharing Incentive)
Contingency not appropriated	(240)	
Reimbursement increase	57	
Unobligated balance increase	63	
Collection decrease	(329)	
Net reduction in obligations	(698)	
Details of investment of $2,186:.		
Zero homelessness	559	
Activations	831	
New Models of Care	610	
Expand Health Care Access	113	
Caregivers	43	
Improve Mental Health	31	
Other	(1)	
Total	$2,186	

Question 8. The fiscal year 2013 budget request includes $1.352 billion for programs related to prevention and reduction of homeless veterans.

a. Do the fiscal year 2013 request and fiscal year 2014 advance funding request require legislative authority to release funding for these programs?

Response. VA is taking decisive action toward its goal of ending homelessness among our Nation's Veterans. To achieve this goal, VA has developed a plan to end homelessness that will assist every eligible homeless Veteran and Veteran at-risk for homelessness. VA will assist Veterans to acquire safe housing; needed treatment and support services; homeless prevention services; opportunities to return to employment; and benefits assistance. Specific programs which provide these services include the VA Grant Per Diem Program (GPD), Health Care for Homeless Veterans Program (HCHV), and the Supportive Services for Veteran Families Program (SSVF).

VA's FY 2013 budget submission includes requests for authorization legislation on a number of fronts to reflect this priority, and it is critical to secure timely enactment to further VA's efforts of ending homelessness among our Nation's Veterans. In order to achieve its goal, VA needs the extension beyond 2012 of the HCHV program (38 U.S.C. 2031) as well as the authorities granted by 38 U.S.C. 2102A, 2033, and 2041. In addition, VA is asking that Congress increase the amounts authorized to be appropriated for the GPD Program (38 U.S.C. 2013, 2061) and the SSVF program (38 U.S.C. 2044). These requests for legislative authority are included in VA's FY 2013 Budget Submission, Summary Volume (Volume 1 of 4) at pages 3A-5–3A-6.

b. What metrics were used to determine how much funding is needed for each program? Please provide any metric templates currently developed.

Response. VHA Homeless Programs developed a budget request based on historical allocations, expansion of existing programs using established priorities, and new initiatives based upon actuarial modeling of projected workload. Increased funding for homeless programs is needed to continue existing services, expand existing programs, and establish new initiatives in order to meet VA's goal of ending homelessness among Veterans. In determining costs for each of the services included in the

Ending Veteran Homelessness Initiative, estimates were based on (1) the number of Veterans estimated to need services, (2) costs of other needed services, e.g., services designed to prevent homelessness, and (3) costs of case management services associated with permanent affordable housing programs.

Question 9. In fiscal year 2011, Congress appropriated $799 million for homeless veterans programs.

Please provide a detailed breakdown of how this money was utilized within these various programs, the number of veterans who accessed these programs, how each program was effective in reducing the number of homeless veterans, and what metrics are used to determine the effectiveness of these programs.

Response. In the fiscal year (FY) 2011 President's Submission, VA requested $799 million for homeless Veterans' program initiatives, along with sustainment funding in the areas of HCHV and Domiciliary Care for Homeless Veterans (DCHV). Sustainment funding is provided to VA's medical centers through the Veterans' Equitable Resource Allocation (VERA) and is handled locally, not by VHA Homeless Programs. As a result of expanded access and outreach efforts, HCHV sustainment and DCHV sustainment costs were higher than anticipated in FY 2011, resulting in a total of $933 million, rather than $799 million, in funding. With this funding, VA was able to deliver services to approximately 160,000 Veterans. The table below, drawn from Volume 2—Medical Programs, page 1L–14 of the FY 2013 Budget Submission provides more detail).

Homeless Veterans Programs	FY 2011 Budget
Permanent Housing/Supportive Services	
HUD-VASH case management	$119,603
Subtotal	**$119,603**
Transitional Housing	
Grant & Per Diem	$148,097
Grant & Per Diem Liaisons	$24,312
Other - Sustainment	$19,261
Health Care for Homeless Vets (HCHV)	$200,808
Subtotal	**$392,478**
Prevention Services	
Supportive Services Low Income Vets & Families	$60,541
National Call Center for Homeless Veterans (NCCHV)	$5,316
Justice Outreach Homelessness Prevention Initiative	$22,489
HUD-VA Pilots (VHPD)	$1,128
Subtotal	**$89,474**
Treatment	
Domiciliary Care for Homeless Vets	$221,938
Substance Abuse/Mental Health Enhancement	$1,928
Expansion of Homeless Dental Initiative	$9,198
Subtotal	**$233,064**
Employment/Job Training	
Homeless Veterans Supported Employment Program (HVSEP)	$22,886
Homeless Ther. Empl, CWT & CWT/TR	$73,420
Subtotal	**$96,306**
Administrative	
Getting to Zero	$2,637
National Homeless Registry	$0
Subtotal	**$2,637**
Grand Total	**$933,562**

*$ in Thousands (Chart extracted from Volume 2—Medical Programs, page 1I–14)

Number of Veterans Accessing Each Program

In FY 2011, VA provided services (both health care and benefits) to almost 188,000 Veterans who are homeless at risk for homelessness. A majority of these Veterans (over 160,000) were served by one or more of VA's specialized homeless programs including:

• The HCHV program conducted aggressive outreach and provided outpatient services to more than 95,000 Veterans and offered more than 8,100 episodes of contract community-based residential treatment.

• The DCHV program provided intensive residential rehabilitation and treatment to over 8,000 Veterans.

• The Compensated Work Therapy/ Transitional Residences (CWT/TR) program provided structured transitional housing to approximately 1,400 Veterans.

• The GPD program provided community-based transitional housing to over 30,000 Veterans.

• VA continues to collaborate with the Department of Housing and Urban Development (HUD) to implement approximately 30,000 supportive housing units aligned with VA case management and supportive services through the HUD-VA Supported Housing (HUD-VASH) Program.

• In FY 2011, 44 Health Care for Reentry Veterans (HCRV) Specialists saw over 11,000 Veterans in 1,008 of 1,295 (78%) total state and Federal prisons; Veterans Justice Outreach (VJO) Specialists saw more than 15,000 Veterans at earlier stages of justice involvement, for a combined total of over 27,000 justice-involved Veterans.

In addition to these direct service programs for homeless Veterans, VA launched two homeless prevention initiatives—SSVF and the HUD-VA Homeless Prevention Demonstration (VHPD) programs; initiated the Homeless Veteran Supported Employment Program (HVSEP) and supported the National Call Center for Homeless Veterans.

Program Effectiveness

The *2011 Point-in-Time Estimates of Homelessness: Supplement to the Annual Homeless Assessment Report* published in December 2011, estimates that on any given night in 2011 there were approximately 67,495 homeless Veterans and that homelessness among Veterans has declined by nearly 12 percent since January 2010. VA has taken decisive actions toward its goal of ending homelessness among the Nation's Veterans, and has developed a continuum of care designed to assist every eligible homeless Veteran as well as Veterans at risk for homelessness.

With the exceptions of very new programs such as VJO and SSVF, studies of the effectiveness of VA specialized homeless services have been conducted. Generally, these studies have been conducted early in the implementation of the initiatives and have been both observational and experimental in design. For example, the effectiveness of the HUD-VASH program was documented in a randomized control trial that compared HUD-VASH to intensive case management without HUD rental assistance and to usual VA services.

Such studies are extremely expensive to conduct and generally are limited to a representative sample of Veterans and the prescribed timeframe. However, the implementation of all specialized VA homeless programs is monitored on a continual basis. To further develop monitoring capacity, VA continues to develop its new National Homeless Registry. The Homeless Registry will be a real-time data resource for service providers, VA policymakers, administrators, and researchers. In addition to data collected with the VA specialized homeless programs, the Homeless Registry will incorporate VA inpatient and outpatient data as well as data collected through HUD's national Homeless Management Information System (HMIS) database. The Homeless Registry is the "next generation" monitoring tool and will provide important documentation of progress toward VA's Plan to End Homelessness among Veterans.

Metrics

Ongoing monitoring of VA specialized homeless services includes measures of program structure (e.g., staffing, staffing vacancies, program costs); program processes (e.g., demographic and clinical characteristics of program participants, duration of participation in the different programs); and program outcomes (e.g., housing status, employment status, provisions for aftercare). Feedback to program sites in the field is delivered through a series of measures based on relative performance.

Explicit studies of program effectiveness also include measures of program structure, process and outcomes. Data collection in those studies is generally more intensive than during ongoing monitoring and tends to be longitudinal in nature. For example, the previously mentioned effectiveness study of HUD-VASH collected a wide array of measures on each study participant quarterly for a minimum of three years following program entry.

Specific metrics in place to determine the effectiveness of these programs:

• Number of Homeless Veterans (on any given night), reported in the Supplemental Chapter on Homeless Veterans in the Annual Homeless Assessment Report (AHAR).

• Percent of vouchers issued to the medical center/facility that result in a homeless Veteran achieving resident status in Public Housing Authority.
• Percent of Veterans discharged from GPD or DCHV programs who discharge to an independent housing arrangement.
• Percent of Veterans admitted to the HUD-VASH program who were chronically homeless at the time of admission.

Question 10. The fiscal year 2013 budget request includes $21 million for 200 additional full-time equivalents (FTE) to be Homeless Veterans Outreach Coordinators (HVOC) in the Veterans Benefits Administration. The purported purpose of the new HVOCs is to support VA's goal of ending veterans' homelessness. According to the fiscal year 2013 budget request, the additional resources in 2013 are intended to "accelerate services for an additional 43,000 Veterans and their families by decreasing the frequency and duration of their episodes of homelessness" and "[t]he resources will also assist veterans and their family members maintain safe and permanent housing, get connected to employment opportunities, and improve the overall health care status."

a. Please explain how the manner, means, and methods of utilizing these HVOCs do not duplicate, compete with, and overlay already existing veteran homelessness outreach programs, initiatives, FTE, and other resources that are on-going in the Veterans Health Administration (VHA) VISNs and VA medical centers.

Response. VBA's HVOCs are targeted outreach positions dedicated to assisting homeless Veterans and Veterans at-risk of homelessness and their families with their VA benefits, including compensation, pension, education, vocational rehabilitation, insurance, and housing. One of their most important functions is to ensure homeless Veterans' claims are appropriately expedited within the claims processing system. VBA's goal is to process homeless claims in 75 days. VBA needs these additional FTE to reach our goal and provide timely benefits to these Veterans and their families. Although both VBA and VHA conduct outreach and provide referrals, HVOC duties are specialized and do not duplicate already existing homeless outreach programs within VHA.

VHA's homeless outreach efforts are directed at health care delivery and VBA's outreach efforts are focused on benefit delivery. Both functions are necessary to meet the complex psychosocial, mental health and health care needs of homeless and at-risk Veterans. VHA and VBA homeless Veteran outreach staffs work closely to optimize services to homeless Veterans at VA settings and in the community. Specifically, VHA's homeless outreach staff is comprised of social workers, other licensed professionals, paraprofessionals and/or peer specialists. All have duties specified in either a professional functional statement or position description. Some of the staff perform outreach duties on a full-time basis others less than full-time. VHA's outreach efforts focus on the identification and assessment of homeless and at-risk Veterans, engagement in VA's health care programs, and referral and linkages to VA and community benefits. VHA homeless outreach efforts are accomplished through community partnerships and coordination with VBA's HVOC's.

b. Please identify where it is anticipated these 200 HVOCs will be located (i.e., existing Veterans Benefits Administration Regional Offices, leased space in the community, VA medical centers, CBOCs, etc.).

Response. HVOCs will have a presence at existing regional offices and in locations that have high homeless Veteran populations. They will also spend time at VA medical centers (VAMC), Community-Based Outpatient Clinics (CBOC), prisons/jails, and Veterans treatment courts.

Full time equivalent (FTE) allocations at regional offices will be based on several factors. Our 20 current HVOCs are overworked. Each of our regional offices that currently has an HVOC will receive a second HVOC to assist with workload and help sustain our efforts to date. The remaining 180 FTE will be placed in areas that have the highest concentration of at-risk and homeless Veterans throughout the country. VBA will also consider other factors such as Veteran population, population density, and workload.

c. Please provide the Committee with copies of any veteran homelessness needs assessment demonstrating the need for these specific outreach coordinators and that current VA resources in place are not adequate to address the needs.

Response. VBA is targeting our efforts to reach areas that have a higher concentration of homeless women, have higher foreclosure rates, and are rural.

Question 11. In 2009, 2010, and 2011, VA's Board of Veterans' Appeals published a Veterans Law Review.

a. During fiscal year 2011, how much was spent on the operation and publication of the Veterans Law Review?

Response. In fiscal year 2011, the total expenditure to publishthe Veterans Law Review was $23,127.60, spent almost entirely on printing costs.

b. During fiscal year 2012, how much is now expected to be spent on operation and publication of the Veterans Law Review?

Response. In fiscal year 2012, the estimated expenditures to publish the Veterans Law Review (again almost entirely for printing costs) are approximately $24,500.

c. During fiscal year 2013, how much is requested for purposes of operating and publishing the Veterans Law Review?

Response. In fiscal year 2013, the requested expenditures for publication of the Veterans Law Review (again almost entirely for printing costs) are approximately $26,000.

Question 12. The December 2010 report from the National Commission on Fiscal Responsibility and Reform included a recommendation to reduce Federal spending on travel, printing, and vehicles.

a. During fiscal year 2012, how much in total is projected to be expended by VA on travel costs; how much in total is projected to be expended on printing costs; and how much in total is projected to be expended to purchase, lease, operate, or maintain vehicles?

b. For fiscal year 2013, how much in total is requested for travel costs; how much in total is requested for printing costs; and how much in total is requested to purchase, lease, operate, or maintain vehicles?

Response. [These questions are repeated in and answered posthearing questions, section GENERAL, Question 5.]

Question 13. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA has ordered 25 electric vehicles in order to conduct a "pilot study."

a. What make and model of electric vehicles were ordered, what was the total cost to VA to purchase or lease these vehicles, and what was the total cost to the Federal Government (if different)?

Response. VA is currently scheduled to receive 26 electric vehicles (EVs) through the General Services Administration's (GSA) EV pilot program:

- 5 Think City vehicles
- 1 Nissan Leaf
- 20 Chevrolet Volts

VA is paying the same lease cost for these EVs as for a standard vehicle of a similar class. GSA's pilot program funding covers the incremental costs of the electric vehicles and the acquisition cost of charging stations for the participating agencies. Agencies only pay for the costs associated with installing the charging station at the EV site.

GSA would have information on the cost to purchase or lease these vehicles both for VA and Federal-wide.

b. For fiscal year 2013, how much in total is requested for purposes of this initiative?

Response. No funding is requested

c. How and where will these vehicles be used?

Response. Most of the vehicles are assigned to VHA facilities in the San Francisco, San Diego, Los Angeles, Detroit and Washington/Baltimore metropolitan areas. One additional vehicle is assigned to VBA in Detroit. VA is deploying each vehicle to the most appropriate use at the selected locations. For example, how the vehicle is used depends on the distance that needs to be traveled, the number of people that must be accommodated, whether or not equipment and/or other supplies are being moved and other related factors.

d. What are the specific objectives of the pilot study and what benchmarks will be used to determine whether it is successful?

Response. The pilot study is a GSA initiative. GSA's stated objectives are to determine if EVs are a cost effective option for Federal fleets, and where and for what kinds of uses. GSA is collecting data electronically from the charging stations and from the agencies leasing the vehicles.

e. Please provide copies of the Executive Decision Memorandum (or comparable document) approving the pilot study and supporting documents of justification and implementation.

Response. The pilot study is a GSA program in which VA, along with other Federal departments and agencies, is a participant. VA does not have access to GSA internal support and approval documentation.

f. What cost comparisons were performed to assess the differential between the costs of operating an electric vehicle fleet versus other types of vehicle fleets (gaso-

line, natural gas, or hybrid)? Please provide any documentation comparing the costs of electric vehicles with other types of vehicles (gasoline, natural gas, or hybrids).

Response. Under this pilot, GSA pays all operating expenses for leased vehicles in their fleet regardless of fuel type.

Question 14. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA is "noncompliant with the Debt Collection Improvement Act of 1996" because VA does not charge interest or administrative costs on delinquent debts owed to VA. VA has previously explained to the Committee that, "in 1992, the Deputy Secretary of Veterans Affairs made a decision not to implement the statutory interest and administrative charges on Compensation and Pension debts." VA has also indicated that "[t]he majority of debts created for compensation are due to beneficiary death, incarceration and fugitive felons."

a. What is the legal authority relied upon by VA to forego collecting interest and administrative costs with respect to delinquent debts?

Response. Please see the decision paper below, which was signed by then Deputy Secretary Principi in 1992.

DECISION PAPER

AUDIT OF INTEREST CHARGES ON DELINQUENT DEBTS DUE FROM THE PUBLIC
Report No. 7AM-M02-073
Issue Date: May 22, 1987

Issue:

Should the Department charge interest and administrative costs on compensation and pension-related debts?

Finding:

Federal law (Veterans Rehabilitation and Education Amendments of 1980; P.L. 96-466, § 605(a); 38 U.S.C. § 5315 (formerly § 3115)) requires that VA charge interest and administrative costs on compensation, pension and other benefit related debts. VA has not instituted procedures to comply with these requirements.

Recommendation:

Revise and implement procedures to charge interest at the prescribed rate on compensation, pension, and other benefit debts.

VBA Position:

The Veterans Benefits Administration is opposed to charging interest on compensation and pension-related debts for the following reasons:

- Most C&P debtors live at or near the poverty level and are elderly with no resources to pay the debts much less interest charges.

- Interest charges would lead not to a reduction in the pension debt load but to an increase as interest charges and administrative costs are added to the amounts already unpayable. The end result would be not only an increased debt total but also increased mental and financial burdens for elderly, disabled, and destitute veterans.

- The Department is already able to recoup a high percentage of compensation and pension debts by withholding overpayments from on-going payments.

- Charging interest on C&P debts would defeat the purpose for which the benefit is being paid. In pension cases, the veteran needs the pension to meet the basic necessities of life. In compensation cases, the disabled veteran may not be able to make a living without the compensation payment.

- Interest charging is intended to coerce debtors to liquidate debts on a timely basis or suffer a monetary penalty. Because most C&P debtors would be unable to pay debts, the "threat" of charging interest would serve no practical purpose.

- Interest charging is inconsistent in relation to similar benefit programs such as Social Security.

- Implementation of interest charging would cost the Department approximately $835,000 over a 23-month period. Based on current and projected levels of collections and the increased debt load caused by the addition of interest charges, implementation of the program would not be cost-effective for the Department.

VBA has developed, and the Department has submitted, legislative proposals to exempt VA from the requirement in successive Congresses. Implementation of the law has been avoided on the grounds that pending legislation would remove the requirement.

OIG Position:

We disagree with continuing to propose legislation to exempt C&P debts from interest charges for the following reasons:

- Recipients of compensation or pension overpayments have use of these funds with a cost to the Government (imputed interest) until the funds are repaid. This practice, in effect, provides an interest free loan that is not equitably available to others.

- The "threat" of charging interest - to coerce debtors to liquidate debts on a timely basis - could induce an increase of cash collections above the current 11 percent rate. In addition, by not charging interest, the Department loses the ability to encourage quick repayments.

- Interest charging would not unfairly burden veterans unable to pay C&P debts. Existing waiver and compromise procedures provide for nonpayment of debts when it is against equity and good conscience.

- VBA's $835,000 implementation cost over a two-year period is a one-time cost. VBA's November 1991 cost benefit analysis projects interest accruals of nearly $5 million annually in succeeding years.

More importantly, the language of the law is clear in the requirement that these charges be levied. The initial legislative requirement was established in 1980. The unsuccessful attempts to obtain legislative relief in successive Congresses should be accepted and the requirement implemented. There has also been

increased opposition to VA's legislative initiative within the Administration, making legislative relief less likely to occur. The Department of Education formally opposed the VA proposal on the grounds that it could establish a precedent that could adversely affect Government-wide collection provisions.

The Chief Financial Officer's position (copy attached) is a concurrence with our position and also includes the statement that VA should begin to assess interest and administrative costs on delinquent C&P debts as required by law. The CFO position paper also indicates that the Departmental decision should take into consideration the fact that the legislative proposals to date have not been approved. We agree that administrative costs should also be assessed.

Another factor to consider is that the GAO has issued five reports since 1986 recommending that the VA implement procedures to charge interest and administrative costs on C&P debts. The latest report (July 1991) did not include a recommendation to the Secretary but rather to the OMB, recommending that OMB direct VA to assess interest and administrative costs on C&P debts.

The decision options outlined below also address interest charging on loan guaranty debts. VBA has agreed to revise the current interest rate on loan guaranty debts to the government-wide rate as recommended by the audit report. However, no action has been taken since the report was issued in 1987. VBA's plan is to develop two projects simultaneously to charge interest on both C&P and loan guaranty debts if required to do so. If the final decision is that the Department will not charge interest on C&P debts, a timetable for implementing loan guaranty interest charging should be required.

Deputy Secretary's Decision:

Option 1:

_____ Implement the recommendation to revise and implement procedures to charge interest at the prescribed rate on compensation and pension (C&P) debts. Administrative costs should also be assessed.

_____ Provide a time-phased implementation plan to the OIG for charging interest and administrative costs on both C&P and loan guaranty debts. Interest charging should begin no later than October 1, 1994 unless sufficient justification can be provided for a later date.

Option 2:

X Do not implement interest charging on C&P debts.

X Provide a time-phased implementation plan to the OIG for charging interest and administrative costs on loan guaranty debts. Interest charging should begin no later than October 1, 1994 unless sufficient justification can be provided for a later date.

7/8/97
DATE

ANTHONY J. PRINCIPI

b. What is the total amount of debt to VA created in fiscal year 2011 as a result of VA beneficiaries being incarcerated or having fugitive felon status?

Response. VA tracks fugitive felon and incarcerated beneficiary cases by year of referral to the field for processing rather than by year of debt establishment. Although we are not able to provide the specific debt amounts created by year, we estimate (based on case tracking and sampling) the average annual amount of debt created for the years 2003 through 2010 to be $32,121,505.

c. What is the total amount of debt to VA expected to be created in fiscal year 2012 and in fiscal year 2013 as a result of incarceration of beneficiaries or beneficiaries deemed to be fugitive felons?

Response. We do not project any significant change. The numbers of cases referred in recent years have remained constant or declined.

d. If VA assessed interest and administrative costs, in accordance with the Debt Collection Improvement Act of 1996, on any of those debts that are or are projected to be delinquent, what would be the total amount of those assessed charges in fiscal year 2012 and fiscal year 2013?

Response. VA systems are not programmed to handle the charging of interest and administrative fees. VA is therefore not currently able to estimate the amount of interest or administrative charges on current or projected delinquent debt with any degree of accuracy.

Question 15. With respect to VA's fiscal year 2012 budget request, VA was asked whether the budget request included "funding for benefits that are projected to be overpaid and not recouped." In response, VA indicated in part that, "[a]lthough there is no specific line item for overpayments in the budget request for the Compensation and Pension account, these payments are accounted for in the baseline budget estimates and are not identified as funds that VA does not expect to recoup." VA also indicated that for fiscal year 2012 the Readjustment Benefits account included "a net increase of $7.2 million in obligations associated with overpayments."

a. For fiscal year 2012, what is the total amount of benefits now projected to be overpaid?

Response. For Compensation/Pension benefits, we provide the following projections, which detail the FY beginning balance, establishments, collection/offsets, write-offs and the ending balance.

	(Dollars in millions)
Beginning Balance	$1,138.7
Establishments	$870.0
Collections/Offsets	$649.1
Write-Offs	$233.0
Ending Balance	$1,126.6

Collections/offsets are reflected as a total applied to the entire portfolio rather than just against new establishments.

Readjustment projections are as follows:

	(Dollars in millions)
Beginning Balance	$334.6
Establishments	$594.0
Collections/Offsets	$557.5
Write-Offs	$12.3
Ending Balance	$358.8

Collections/offsets are reflected as a total applied to the entire portfolio rather than just against new establishments.

b. For fiscal year 2013, what amount is included in the Readjustment Benefits account for overpayments of benefits?

Response. Please see the response to 15c.

c. For fiscal year 2013, what amount is included in the Compensation and Pension account (including any amounts in the budget baseline) for overpayments?

Response. In the recalculation for the FY 2013 President's Budget request, the Readjustment Benefits account is projecting a net increase of $24.2 million in obligations associated with overpayments in FY 2012 and $15.2 million in FY 2013. These

projections are based on historical trends and updated each budget cycle. While obligations for the net increase are incorporated into the budget, these amounts may be collected in the future and are not identified as funds that VA does not expect to recoup. Although there is no specific line item for overpayments in the budget request for the Compensation and Pension account, these payments are accounted for in the baseline budget estimate and are not identified as funds that VA does not expect to recoup.

Question 16. VA's Fiscal Year 2011 Performance and Accountability Report contains the following information:

> One cause of overpayments in both the Compensation and Pension programs has been the implementation of the Fugitive Felon program. This program * * * prohibits Veterans or their dependents who are fugitive felons from receiving specified Veterans' benefits. The law requires VA to retroactively terminate awards to Veterans and other beneficiaries from the date the beneficiary became a "fugitive felon." As of January 2011, nearly 23,000 fugitive felon cases have been referred to field stations resulting in a total of nearly $165 million accumulated overpayments which cover multiple warrant years. VA's Committees on Waivers and Compromises had waived nearly $22 million in overpayments.

a. To date, how many current or former fugitive felons have had their overpayments to VA waived?

Response. VA has waived 751 overpayments from 2003 through the end of 2010.

b. To date, what is the total dollar amount of overpayments to fugitive felons that have been waived?

Response. The annual average amount of debt waived for the years 2003 through 2010 is estimated to be $2,222,314. Although VBA's current systems do not allow tracking of waivers at the level of detail to report actual amounts waived, VA is working to enhance its corporate systems to support processing and collection of additional financial and debt data. These system enhancements are projected for completion within the next 2 years.

c. For fiscal year 2013, what amount is included in the budget request in order to waive recoupment of overpayments to fugitive felons?

Response. There is not a specific line item for overpayments in the budget request for the Compensation and Pension account. The Compensation and Pension budget model projects caseload, obligations, and outlays over ten years. Compensation payments are based on combined degree of disability, and Veterans often receive compensation for multiple injuries or diseases. Budget forecasts are based on combined degrees of disability.

Question 17. Under current law, VA is required to reduce, but not terminate, the compensation payments to certain beneficiaries who have been incarcerated for more than 60 days.

a. What was the total amount of VA benefits paid to incarcerated beneficiaries during fiscal year 2011?

Response. Incarcerated Veterans are entitled to a portion of their benefit payments. Although VA is not able to calculate the actual amount of benefits paid to incarcerated beneficiaries in FY 2011, we estimate that $2.6 million was paid based on data from September 30, 2011. At that time, 2,013 incarcerated Veterans were in receipt of compensation payments. This includes 1,452 Veterans service-connected in excess of 10 percent as well as 561 Veterans service-connected at 10 percent (or zero percent service-connected and entitled to compensation under 38 CFR 3.317). Veterans service-connected in excess of 10 percent received compensation at the 10 percent rate ($123 monthly), and Veterans service-connected at 10 percent received half of their compensation at the 10 percent rate ($61.50 monthly). If the number of incarcerated beneficiaries did not change through FY 2011, VA would have paid approximately $2.6 million to these Veterans.

b. What is the total amount of VA benefits expected to be paid to incarcerated beneficiaries during fiscal year 2012?

Response. Please see the response to 17c.

c. What is the total amount included in the fiscal year 2013 budget for VA benefits expected to be paid to incarcerated beneficiaries?

Response. The Compensation and Pension budget model projects caseload, obligations and outlays over ten years. Budget forecasts are based on combined degrees of disability. Although payments to incarcerated beneficiaries are accounted for in the baseline budget estimate, specific benefit payments to incarcerated Veterans are not uniquely identified and forecasted.

Question 18. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA paid $45 in interest penalties per million dollars disbursed during 2011.

a. In total, how much did VA pay in interest penalties during fiscal year 2011?

Response. In total, VA paid $684,778.78 in interest penalties during fiscal year 2011 while disbursing over $15.1 billion in payments.

b. In total, how much does VA expect to pay in interest penalties during fiscal year 2012?

Response. Based on actual interest paid through February 2012, VA expects to pay $732,584 in interest penalties during fiscal year 2012 while disbursing an estimated $15.9 billion in payments.

c. In total, how much is included in the fiscal year 2013 budget request in order to pay for interest penalties?

Response. In accordance with the Prompt Payment Act regulations at 5 CFR 1315.10(b)(5), VA did not include interest penalties in the fiscal year 2013 budget request. Interest penalties are paid from funds for the program for which the penalty is incurred.

Question 19. VA's Central Office houses a number of different entities, including the Office of the Secretary, the Office of Congressional and Legislative Affairs, the Office of Public and Intergovernmental Affairs, and other support offices.

a. How many employees currently are assigned or detailed to each of these respective entities within VA's Central Office? Please identify the status of those employees as permanent or detailed; career or non-career; and GS, SES or SES Equivalent, or other pay scale. Please identify the locations (VISNs, VA medical centers, Veterans Benefits Administration Regional Offices, etc.) from where these employees are being detailed.

b. If VA's fiscal year 2013 budget request is adopted, how many full-time equivalents would VA expect to be assigned or detailed from outside VA's Central Office to VA's Central Office during fiscal year 2013?

Response. [These questions are repeated in and answered posthearing questions, section GENERAL, Question 7.]

Question 20. For the period October 1, 2010, thru December 31, 2011, please provide a listing (without names or other personal identifiers) of those VA employees who have been approved to receive, or have received, Recruitment, Relocation and/or Retention Incentives. It is requested that the listing include the employee's grade (SES, SES Equivalent, title 38, GS, etc.); duty station (VA Central Office, VA Field location—VISN, VA medical center, Veterans Benefits Administration Regional Office, etc.). Please list the amount approved for each Incentive category.

a. For those receiving Relocation Incentives, please list the losing and receiving duty station/location.

Response. The embedded spreadsheet, below, is a listing of individual Recruitment, Relocation and Retention Incentives paid from October 1, 2010 through December 31, 2011, by grade. Losing and receiving duty stations/locations cannot be reported due to system limitations. Incentives payments have been attributed to the Administration or Staff Office where the individual was employed on the date the information was extracted from the Personnel Accounting Integrated Database (PAID) system. In the case of internal VA employee transfers, the incentive may actually have been paid by a different Administration or Staff Office prior to the transfer.

[This extensive information was received and is being held in Committee files.]

b. For those receiving Retention Incentives, please identify the level of approving official (i.e., Secretary, Deputy Secretary, Chief of Staff, Under Secretary, Assistant Secretary, VISN/VA medical center/Regional Office Director, etc.).

Response. VA does not maintain a central electronic file that identifies the approving official for each employee's retention incentives. This information is in locally maintained paper files and would require several months to compile.

VA Handbook 5007, Pay Administration, Part VI, Recruitment and Retention Incentives, documents VA's policy as follows:

> "a. Retention allowances must be approved by an official at a higher level than the one recommending the payment. The authorizing official's signature signifies concurrence with the determination that an allowance is needed to retain a critical VA employee and authorization of the allowance percentage.
>
> "b. The Secretary, or designee, is the approving official for retention allowances for employees occupying positions centralized to that office.
>
> "c. Administration Heads, Assistant Secretaries, Other Key Officials, and Deputy Assistant Secretaries, or their designees, recommend retention allowances for employees occupying positions in their organization which are central-

ized to the Secretary. They, or their designees, approve retention allowances for employees occupying Central Office (VACO) positions in their organizations, which are not centralized to the Secretary; and employees occupying field positions centralized to their offices.

"d. Facility directors may approve retention allowances for title 38 and title 5 employees in non-centralized positions under their jurisdiction provided that the amount of the allowance, when combined with all other VA payments, does not cause an employee's total pay to exceed the aggregate limit on pay."

The Department is currently updating the incentives policy to reflect higher levels of approval.

c. For those receiving Retention Incentives within the VA Central Office, please further identify the specific office (i.e., Office of Public and Intergovernmental Affairs, VHA Deputy Undersecretary for Health for Operations and Management (DUSHOM), Veterans Benefits Administration Compensation and Pension Service, Office of the Secretary, etc.).

Response. The table below is a summary of Central Office Retention Incentives paid from October 1, 2010 through December 31, 2011, by Staff Office and Administration.

VA CENTRAL OFFICE RETENTION INCENTIVES BY PROGRAM OFFICE/ADMINISTRATION

- **Data current as of March 8, 2012**
- **Data represent employees identified in PAID as Station 101; October 1, 2010 through December 31, 2011**
- **Retention incentive amounts are cumulative for the time period represented**

ORGANIZATION	RETENTION	NUM. EMPLOYEES	NUM. EMPLOYEES WHO RECEIVED A RETENTION INCENTIVE	AGV. INCENTIVE AMOUNT
OFFICE OF THE SECRETARY	$26,142	86	1	$26,142
OFFICE OF GENERAL COUNSEL	$15,891	309	1	$15,891
OFFICE OF PUBLIC AND INTERGOVERNMENTAL AFFAIRS	$11,132	88	1	$11,132
OFFICE OF CONGRESSIONAL AND LEGISLATIVE AFFAIRS	$0	46	0	$0
OFFICE OF POLICY AND PLANNING	$0	110	0	$0
OFFICE OF MANAGEMENT	$0	192	0	$0
OFFICE OF HUMAN RESOURCES AND ADMINISTRATION	$126,812	518	6	$21,135
OFFICE OF OPERATION SECURITY AND PREPAREDNESS	$0	93	0	$0
OFFICE OF INFORMATION TECHNOLOGY	$60,928	442	2	$30,464
OFFICE OF ACQUISITIONS LOGISTICS AND CONSTRUCTION	$60,993	620	5	$12,199
BOARD OF VETERANS APPEALS	$0	360	0	$0
VETERANS BENEFITS ADMINISTRATION	$34,600	864	1	$34,600
VETERANS HEALTH ADMINISTRATION	$423,272	1,266	30	$14,109
NATIONAL CEMETERY ADMINISTRATION	$19,671	213	1	$19,671
TOTAL	$779,442	5,207	48	$20,594

d. For those receiving Retention Incentives, please identify, where applicable, whether the Incentive was being offered because (1) the employee was likely to leave because of retirement; (2) the employee indicated an intent to leave for a different Federal position; or (3) of another authorized reason.

Response. VA does not maintain a central electronic file documenting the approved reasons for each employee's retention incentives. This information is in locally maintained paper files and would require several months to compile.

The Code of Federal Regulations at 5 CFR 575.307 requires VA to establish the required documentation for determining that an employee would be likely to leave the Federal service in the absence of a retention incentive. VA Handbook 5007, Pay Administration, Part VI, Recruitment and Retention Incentives, documents VA's policy as follows:

"Evidence that the Employee is Likely to Leave Federal Employment. Each supervisor shall make a separate certification that an employee, or for

group authorizations, a significant number of employees in the group, is likely to leave Federal. This certification will only be made when the supervisor is reasonably convinced that the employee is likely to leave Federal service. Such a certification may be based on:

"(1) Receipt by an employee, or for group authorizations, a significant number of employees, of one or more *bona fide* offers of employment, as evidenced by a formal written job offer or affidavit signed by the employee or employees providing the position and salary being offered, the name and location of the organization, and the prospective date of employment; or

"(2) Evidence of high demand in the private sector for the knowledge and skills possessed by the employee or group of employees and significant pay disparities between Federal and non-Federal salaries; or

"(3) A discussion with the employee of the employee's career plans."

A supervisor's certification documenting the reason for determining the likelihood of an employee leaving Federal employment should be included in each retention incentive case file. However, VA's OIG November 14, 2011, audit of retention incentives for VHA and VA Central Office cited case files that lacked documentation to support VA retention incentive decisions, including supervisors' certifications that the employees were likely to leave Federal service in the absence of monetary incentives were missing from some files. VA senior officials concurred with OIG report recommendations and provided acceptable corrective action plans which are currently being implemented.

Employees who intend to leave VA for another Federal position may be granted a retention incentive only if VA has provided a general or specific written notice that the employee's position may or would be affected by the closure or relocation of the employee's office, facility, activity, or organization, per 5 CFR 575.315(b)(3).

Question 21. Last year, VA was unable to provide the Committee with information concerning the percentage and number of contracts awarded by VA's Central Office to service-disabled veteran owned small businesses (SDVOSBs) and veteran owned small businesses (VOSBs). VA indicated that a data analysis of VA's service contracts was underway, preventing a complete response.

a. Based on that data analysis, please provide the Committee with the percentage and number of contracts awarded by VA's Central Office to SDVOSBs and VOSBs.

Response. The information follows:

Department of Veterans Affairs - As of 3/8/2012

Federal Procurement Data System (FPDS)							
Contracting Office	SDVOSB Actions	VOSB Actions	Total Small Business Eligible Dollars	SDVOSB Dollars	SDVOSB %	VOSB Dollars	VOSB %
ACQUISITION OPERATION SERVICE (0010C)	45	52	$28,170,167.78	$1,718,431.72	6.10%	$1,948,722.72	6.92%
OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT (0010F)	143	158	$636,395,005.13	$9,095,064.09	1.43%	$36,317,311.29	5.71%
OFFICE OF ADMINISTRATION (0010H)	6	6	$195,307.24	$79,925.14	40.92%	$79,925.14	40.92%
Total	194	216	$664,760,480.15	$10,893,420.95	1.64%	$38,345,959.15	5.77%

b. Please provide the Committee with details (type, amount, and purpose) of the current contracts awarded to SDVOSB/VOSBs by VA's Central Office. Also, please itemize this data by individual offices within VA's Central Office.

Response. The spreadsheet for questions a and b follows:

Department of Veterans Affairs - As of 3/8/2012

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	110	CFM	VA701X10399	02/29/2012	FIRM FIXED PRICE	R499	SUPPORT-PROFESSIONAL: OTHER	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DELIVERY ORDER	829828198	CONCOURSE FEDERAL GROUP	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	110	CFM	VA701X10706	12/06/2011	FIRM FIXED PRICE	R499	SUPPORT-PROFESSIONAL: OTHER	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	556170926	INTERIOR SYSTEMS, INC.	YES	YES	SMALL BUSINESS	1	$20,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	110	CFM	VA701X11104	10/03/2011	FIRM FIXED PRICE	R799	SUPPORT-MANAGEMENT: OTHER	SMALL BUSINESS SET ASIDE - TOTAL	DELIVERY ORDER	106701282	ARTTRA INC.	YES	YES	SMALL BUSINESS	1	$7,362.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	110	CFM	VA701X11104	12/05/2011	FIRM FIXED PRICE	R799	SUPPORT-MANAGEMENT: OTHER	SMALL BUSINESS SET ASIDE - TOTAL	DELIVERY ORDER	106701282	ARTTRA INC.	YES	YES	SMALL BUSINESS	1	$3,680.40
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	110	CFM	VA701004B12J000 1	12/14/2011	FIRM FIXED PRICE	R799	SUPPORT-MANAGEMENT: OTHER	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DELIVERY ORDER	828929666	AMERIVET REAL ESTATE SERVICES, INC.	YES	YES	SMALL BUSINESS	1	$115,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	110	CFM	VA701004BP0024	11/01/2011	FIRM FIXED PRICE	R499	SUPPORT-PROFESSIONAL: OTHER	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	IDC	829828198	CONCOURSE FEDERAL GROUP	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	129	NCA	V101J57030	02/10/2012	FIRM FIXED PRICE	L070	TECHNICAL REPRESENTATIVE- ADP EQUIPMENT/SOFTWARE/ SUPPLIES/SUPPORT EQUIPMENT	NO SET ASIDE USED.	PURCHASE ORDER	146011791	DATA TRAK CONSULTING	YES	NO	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G47064	03/05/2012	FIRM FIXED PRICE	D399	IT AND TELECOM-OTHER IT AND TELECOMMUNICATIONS		DELIVERY ORDER	186816914	DYNAMIC TECHNOLOGY SYSTEMS INC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G57041	01/25/2012	FIRM FIXED PRICE	B550	SPECIAL STUDIES/ANALYSIS-ORGANIZATION/ADMINISTRATIVE/PERSONNEL		DELIVERY ORDER	143356740	TOPGALLANT PARTNERS, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101J17449	10/25/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G17160	10/25/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G17164	11/29/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G17164	10/25/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G17165	10/25/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G17163	10/05/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	-$507,823.68
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G77074	01/30/2012	FIRM FIXED PRICE	R408	SUPPORT-PROFESSIONAL: PROGRAM MANAGEMENT/SUPPORT	NO SET ASIDE USED.	PURCHASE ORDER	830303868	GARTNER JOHN	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	VA701G87100	11/10/2011	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)	D317	IT AND TELECOM-WEB-BASED SUBSCRIPTION	NO SET ASIDE USED.	DELIVERY ORDER	103079443	AMBIT GROUP LIMITED LIABILITY COMPANY	YES	YES	SMALL BUSINESS	1	-$514,347.34
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V798C16094	10/28/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G07050	11/17/2011	FIRM FIXED PRICE	R407	PROGRAM EVALUATION SERVICES	NO SET ASIDE USED.	DELIVERY ORDER	031777167	YOUR RECRUITING COMPANY INCORPORATED	YES	NO	SMALL BUSINESS	1	$260,288.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G87031	01/04/2012	FIRM FIXED PRICE	U008	EDUCATION/TRAINING-TRAINING/CURRICULUM DEVELOPMENT	NO SET ASIDE USED.	DELIVERY ORDER	780460739	NPI INC	YES	NO	SMALL BUSINESS	1	-$29,997.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G67032	01/24/2012	FIRM FIXED PRICE	U008	EDUCATION/TRAINING-TRAINING/CURRICULUM DEVELOPMENT	NO SET ASIDE USED.	DELIVERY ORDER	780460739	NPI INC	YES	NO	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G17130	01/05/2012	FIRM FIXED PRICE	R499	SUPPORT-PROFESSIONAL: OTHER	SDVOSB SOLE SOURCE	DELIVERY ORDER	790655776	ALLAGASH GROUP, LLC	YES	YES	SMALL BUSINESS	1	-$3,355.36
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	V101G17162	10/25/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	4537	OALC	VA79811P0044	10/18/2011	FIRM FIXED PRICE	R799	SUPPORT-MANAGEMENT: OTHER	NO SET ASIDE USED.	DEFINITIVE CONTRACT	832366327	WORKING KNOWLEDGE CSP, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0017	11/14/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$49,754.20
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0019	11/15/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$99,508.40
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA101049A3P0459	11/03/2011	CHECK DEPENDENT IDV ALLOWS PRICING ARRANGEMENT TO BE DETERMINED SEPARATELY FOR EACH ORDER)	R499	SUPPORT-PROFESSIONAL: OTHER	SDVOSB SOLE SOURCE	IDC	827489035	RIVIDIUM INC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112A0001	12/11/2011	FIRM FIXED PRICE	D315	IT AND TELECOM-DIGITIZING	NO SET ASIDE USED.	BPA	113657253	DOMA TECHNOLOGIES, LLC	YES	NO	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0010	11/01/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$207,893.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0013	11/03/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$127,144.40
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0016	11/08/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$95,222.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0018	11/15/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$142,278.40
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0020	12/13/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$16,937.60
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0020	02/14/2012	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$25,406.40
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA10112J0020	11/17/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$8,468.80
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA101049A312J00 35	12/19/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$512,544.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA101049A3P0453	10/25/2011	ORDER DEPENDENT (IDV ALLOWS PRICING ARRANGEMENT TO BE DETERMINED SEPARATELY FOR EACH ORDER)	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	IDC	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	V118G16005	10/28/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	V101J17651	12/14/2011	FIRM FIXED PRICE	U008	EDUCATION/TRAINING-TRAINING/CURRICULUM DEVELOPMENT	NO SET ASIDE USED.	DELIVERY ORDER	003071417	CAMRIS INTERNATIONAL INC.	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA101049A3P0440	01/21/2012	FIRM FIXED PRICE	R799	SUPPORT-MANAGEMENT: OTHER	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	362623170	DUTY FIRST CONSULTING LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA1012J0014	11/09/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$57,631.40
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA1012J0012	11/15/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	SDVOSB SOLE SOURCE	DELIVERY ORDER	827489035	RIVIDIUM INC.	YES	YES	SMALL BUSINESS	1	$510,720.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA1012J0034	12/14/2011	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$95,222.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA1012J0034	01/05/2012	LABOR HOURS	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED	DELIVERY ORDER	142540058	PREMIER MANAGEMENT CORPORATION	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	151	Office of Management	VA1012D0006	12/02/2011	FIRM FIXED PRICE	R603	SUPPORT-ADMINISTRATIVE: TRANSCRIPTION MISCELLANEOUS	NO SET ASIDE USED	IDC	806895988	BELL SERVICES GROUP, INC.	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	167	OIT	VA116E15299	11/30/2011	FIRM FIXED PRICE	5999	ELECTRICAL AND ELECTRONIC COMPONENTS	NO SET ASIDE USED.	DELIVERY ORDER	827646691	RAY GROUP INTERNATIONAL, LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	167	OIT	VA101049A3:2F00 06	01/09/2012	LABOR HOURS	R707	SUPPORT-MANAGEMENT: CONTRACT:PROCUREMENT/ACQUISITION SUPPORT	NO SET ASIDE USED.	DELIVERY ORDER	198024809	INFINITY TECHNOLOGY, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	167	OIT	VA101049A3:2F00 06	12/19/2011	LABOR HOURS	R707	SUPPORT-MANAGEMENT: CONTRACT:PROCUREMENT/ACQUISITION SUPPORT	NO SET ASIDE USED.	DELIVERY ORDER	198024809	INFINITY TECHNOLOGY, LLC	YES	YES	SMALL BUSINESS	1	$532,912.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	167	OIT	VA101049A3:2F00 06	01/09/2012	LABOR HOURS	R707	SUPPORT-MANAGEMENT: CONTRACT:PROCUREMENT/ACQUISITION SUPPORT	NO SET ASIDE USED	DELIVERY ORDER	198024809	INFINITY TECHNOLOGY, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	167	OIT	VA101049A3P0316	10/03/2011	FIRM FIXED PRICE	D399	IT AND TELECOM-OTHER IT AND TELECOMMUNICATIONS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	147492131	SILVER STAR COMMUNICATIONS LLC	YES	YES	SMALL BUSINESS	1	$116,473.10
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	152	VHA	V101E57124	01/30/2012	FIRM FIXED PRICE	R499	SUPPORT-PROFESSIONAL: OTHER	NO SET ASIDE USED.	PURCHASE ORDER	602900057	NEUNER GREGORY R	YES	NO	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010C	ACQUISITION OPERATION SERVICE (049A3)	35	152	VHA	V101E67020	01/31/2012	FIRM FIXED PRICE	B537	SPECIAL STUDIES/ANALYSIS-MEDICAL/HEALTH	NO SET ASIDE USED.	DELIVERY ORDER	107173074	NATIVE AMERICAN INDUSTRIAL DIS	YES	YES	SMALL BUSINESS	1	$0.00

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3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101183B4C0016	12/14/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LIMITED LIABILITY COMPANY	YES	YES	SMALL BUSINESS	1	$4,712.55
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101183B4C0016	12/01/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LIMITED LIABILITY COMPANY	YES	YES	SMALL BUSINESS	1	-$8,798.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	12/02/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC	YES	YES	SMALL BUSINESS	1	-$14,829.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	10/18/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	11/10/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$54,452.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	10/11/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$7,039.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	12/06/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$6,744.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	10/19/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC	YES	YES	SMALL BUSINESS	1	$800.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	12/14/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$1,892.83
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	10/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$5,202.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	11/03/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$726.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	12/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$10,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$3,898.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	11/03/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC	YES	YES	SMALL BUSINESS	1	$5,775.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0049	10/03/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC	YES	YES	SMALL BUSINESS	1	$3,948.00

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3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	11/22/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$15,450.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	12/06/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$13,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$8,105.01
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC	YES	YES	SMALL BUSINESS	1	$8,300.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	12/02/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$1,643.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	11/10/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	10/24/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$22,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	10/06/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$15,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	10/14/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$935.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	10/12/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC	YES	YES	SMALL BUSINESS	1	$18,300.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$1,365.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	12/06/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$4,351.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$52.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	11/03/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$1,089.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	01/12/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	-$13.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0049	11/15/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	041241477	E & E ENTERPRISES GLOBAL, INC.	YES	YES	SMALL BUSINESS	1	$1,599.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110		CFM VA101CFMC0065	10/28/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	620844386	KADENA PACIFIC, INC.	YES	YES	SMALL BUSINESS	1	$0.00

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3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	10/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$81,816.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	01/25/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	01/17/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$7,713.20
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	11/10/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$60,953.44
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	01/12/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$880.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	11/10/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	12/22/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$36,825.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	01/17/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$2,574.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	01/24/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	10/20/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557889	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101F12P0045	01/30/2012	FIRM FIXED PRICE	F115	ENVIRONMENTAL SYSTEMS PROTECTION-ENVIRONMENTAL CONSULTING AND LEGAL SUPPORT	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	PURCHASE ORDER	965931004	CB ENVIRONMENTAL LLC	YES	YES	SMALL BUSINESS	1	$314,950.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VACFM050001	10/28/2011		A024	R&D- DEFENSE OTHER: SERVICES (ENGINEERING DEVELOPMENT)	NO SET ASIDE USED	BPA CALL	153884007	ARGO SYSTEMS, LLC	YES	YES	SMALL BUSINESS	1	$34,142.40
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VACFM08R0005	11/09/2011	FIRM FIXED PRICE	A026	R&D- DEFENSE OTHER: SERVICES (MANAGEMENT/SUPPORT)	SDVOSB SOLE SOURCE	DELIVERY ORDER	826881382	NANCE SYSTEMS SOLUTIONS, LLC	YES	YES	SMALL BUSINESS	1	-$35,765.25
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VACFM050010	10/11/2011	FIRM FIXED PRICE	B521	SPECIAL STUDIES/ANALYSIS-HISTORICAL	VETERAN SET ASIDE	DELIVERY ORDER	884078008	KING, THOMAS F, PHD	YES	NO	SMALL BUSINESS	1	$59,441.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	01/06/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189864	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$83,376.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	11/29/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189864	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$52,315.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	01/10/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189664	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$31,944.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	10/18/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189664	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$58,920.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	10/19/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189664	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	10/20/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189664	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$8,852.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	01/18/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189664	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$57.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0042	01/17/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829189664	LW CONSTRUCTION OF CHARLESTON, LLC	YES	YES	SMALL BUSINESS	1	$128,477.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	11/07/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$29,556.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	11/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	01/05/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$134.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	01/05/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$2,101.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	10/06/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$60,259.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	10/07/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$3,952.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	12/12/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$6,010.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	10/24/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	-$381.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	10/24/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	12/12/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$4,330.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	01/07/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$4,605.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	11/09/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$14,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	01/05/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$10,753.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	12/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$880.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0074	10/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	833048742	KEVCON-TTP, JV	YES	YES	SMALL BUSINESS	1	$9,242.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMP0092	01/19/2012	FIRM FIXED PRICE	C215	ARCHITECT AND ENGINEERING-GENERAL PRODUCTION ENGINEERING	SMALL BUSINESS SET ASIDE - TOTAL	DEFINITIVE CONTRACT	006323893	R E M. ENGINEERING CO. INC., THE	YES	YES	SMALL BUSINESS	1	$47,040.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0090	11/04/2011	FIRM FIXED PRICE	Y224	CONSTRUCT/PARKING FACILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829607873	CAPTURE CONSTRUCTION, LLC	YES	YES	SMALL BUSINESS	1	$27,950.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0090	11/04/2011	FIRM FIXED PRICE	Y224	CONSTRUCT/PARKING FACILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	829607873	CAPTURE CONSTRUCTION, LLC	YES	YES	SMALL BUSINESS	1	$23,475.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0082	10/04/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	610557869	G & C FAB-CON, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0143	10/25/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	786638556	SPANISH SPRINGS CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$2,885.29
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0143	10/24/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	786638556	SPANISH SPRINGS CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	-$38,830.22
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0143	10/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	786638556	SPANISH SPRINGS CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$11,234.14
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0143	10/04/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	786638556	SPANISH SPRINGS CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$1,801.94
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0143	10/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	786638556	SPANISH SPRINGS CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$3,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101F12J0022	02/27/2012	FIRM FIXED PRICE	R425	SUPPORT-PROFESSIONAL: ENGINEERING/TECHNICAL	NO SET ASIDE USED	BPA CALL	153884007	ARGO SYSTEMS, LLC	YES	YES	SMALL BUSINESS	1	$312,522.61
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101F12C0015	03/05/2012	FIRM FIXED PRICE	Y1DA	CONSTRUCTION OF HOSPITALS AND INFIRMARIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	804031123	COBURN CONTRACTORS, LLC	YES	YES	SMALL BUSINESS	1	$6,187,511.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101F12C0018	03/06/2012	FIRM FIXED PRICE	Y1DZ	CONSTRUCTION OF OTHER HOSPITAL BUILDINGS	SMALL BUSINESS SET ASIDE - TOTAL	DEFINITIVE CONTRACT	139220276	CARTER CONCRETE STRUCTURES, INC	YES	NO	SMALL BUSINESS	1	$26,884,000.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	12/19/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$69,489.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	11/28/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$6,544.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	11/07/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$73,935.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	11/28/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$17,833.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	01/05/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$4,316.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$10,790.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	10/13/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	-$9,832.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	01/19/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$1,440.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	11/01/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	-$9,844.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	11/16/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$9,376.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	01/24/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$2,035.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	11/18/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$5,497.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	01/05/2012	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	-$1,783.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	11/16/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	10/13/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$15,256.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0093	10/13/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	808070309	KEPA SERVICES INC.	YES	YES	SMALL BUSINESS	1	$3,180.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VACFM050004	11/09/2011	FIRM FIXED PRICE	AD26	R&D- DEFENSE OTHER: SERVICES (MANAGEMENT/SUPPORT)	SDVOSB SOLE SOURCE	DELIVERY ORDER	826861382	NANCE SYSTEMS SOLUTIONS, LLC	YES	YES	SMALL BUSINESS	1	$81,960.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VACFM050005	10/06/2011	FIRM FIXED PRICE	B521	SPECIAL STUDIES/ANALYSIS-HISTORICAL	VETERAN SET ASIDE SERVICE DISABLED VETERAN OWNED	DELIVERY ORDER	606935901	LABAT ENVIRONMENTAL INC	YES	YES	SMALL BUSINESS	1	$41,773.24
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0004	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SMALL BUSINESS SET-ASIDE SERVICE DISABLED VETERAN OWNED	DEFINITIVE CONTRACT	623978140	C3T, INC.	YES	YES	SMALL BUSINESS	1	$30,823.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0004	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SMALL BUSINESS SET-ASIDE SERVICE DISABLED VETERAN OWNED	DEFINITIVE CONTRACT	623978140	C3T, INC.	YES	YES	SMALL BUSINESS	1	$39,923.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0004	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SMALL BUSINESS SET-ASIDE SERVICE DISABLED VETERAN OWNED	DEFINITIVE CONTRACT	623978140	C3T, INC.	YES	YES	SMALL BUSINESS	1	$29,856.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0004	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SMALL BUSINESS SET-ASIDE SERVICE DISABLED VETERAN OWNED	DEFINITIVE CONTRACT	623978140	C3T, INC.	YES	YES	SMALL BUSINESS	1	$94,850.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0004	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SMALL BUSINESS SET-ASIDE SERVICE DISABLED VETERAN OWNED	DEFINITIVE CONTRACT	623978140	C3T, INC.	YES	YES	SMALL BUSINESS	1	$44,219.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0004	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SMALL BUSINESS SET-ASIDE SERVICE DISABLED VETERAN OWNED	DEFINITIVE CONTRACT	623978140	C3T, INC.	YES	YES	SMALL BUSINESS	1	-$187.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0004	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	623978140	C3T, INC.	YES	YES	SMALL BUSINESS	1	$160.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0056	10/14/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LLC	YES	YES	SMALL BUSINESS	1	$5,919.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0056	12/07/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LLC	YES	YES	SMALL BUSINESS	1	$3,954.50
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0056	10/13/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LLC	YES	YES	SMALL BUSINESS	1	$784.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0056	10/13/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0056	10/13/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0056	11/30/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	784122686	STRATEGIC PERSPECTIVES DEVELOPMENT LLC	YES	YES	SMALL BUSINESS	1	$16,072.23
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	10/21/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$44,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	10/28/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	12/08/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$17,573.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	12/07/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	10/21/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$13,236.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	11/04/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	-$2,174.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	12/09/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$7,370.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	11/10/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$16,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	10/18/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	-$8,441.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	10/28/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$95,771.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0054	10/28/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	NO SET ASIDE USED.	DEFINITIVE CONTRACT	831243832	GC&P FAB-CON LLC	YES	YES	OTHER THAN SMALL BUSINESS	1	$7,092.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0055	10/06/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	831297083	ZIESON CONSTRUCTION COMPANY, LLC	YES	YES	SMALL BUSINESS	1	$3,474.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0055	10/05/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	831297083	ZIESON CONSTRUCTION COMPANY, LLC	YES	YES	SMALL BUSINESS	1	$27,823.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0079	10/31/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	620844386	KADENA PACIFIC, INC.	YES	YES	SMALL BUSINESS	1	$70,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0079	10/31/2011	FIRM FIXED PRICE	Y111	CONSTRUCTION OF OFFICE BUILDINGS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	620844386	KADENA PACIFIC, INC.	YES	YES	SMALL BUSINESS	1	$37,165.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0087	10/14/2011	FIRM FIXED PRICE	Y299	CONTRUCT/ALL OTHER NON-BLDG FACS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	840182146	US BUILDERS GROUP INC.	YES	YES	SMALL BUSINESS	1	$253,287.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	01/04/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	-$8,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	10/20/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$2,835.34
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	10/19/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$6,877.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	10/07/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$4,530.00

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3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	10/11/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	540,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	10/24/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$409.25
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	12/19/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	$34,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0099	01/06/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	805475659	DECATUR CONSTRUCTION, INC.	YES	YES	SMALL BUSINESS	1	-$212.08
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	01/03/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	-$10,693.22
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	01/09/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$18,037.47
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	12/23/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$6,240.73
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	12/09/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$75,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	11/02/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$10,000.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	10/13/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$2,348.97
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	10/12/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$5,295.98
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	01/26/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$3,485.89
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	01/19/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$13,615.21
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	10/18/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$6,572.17
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	11/30/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$1,444.30
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	01/26/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$16,819.36
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	12/23/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	-$26,447.00

Contracting Agency ID	Contracting Agency Name	Contracting Office ID	Contracting Office Name	Contracting Office Region	Treasury Account Symbol Main Account	Funding Organization	PIID	Date Signed	Type of Contract	Product or Service Code	Product or Service Description	Type of Set Aside	Award Type	DUNS Number	Vendor Name	Is Vendor Business Type - Veteran Owned Business	Is Vendor Business Type - Service Disabled Veteran Owned Business	Contracting Officer's Business Size Determination	Number of Actions	Action Obligation
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	12/15/2011	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$1,494.04
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101CFMC0127	01/10/2012	FIRM FIXED PRICE	Y249	CONSTRUCTION OF OTHER UTILITIES	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	965027522	KADELL INDUSTRIES-C & C CONTRACTORS	YES	YES	SMALL BUSINESS	1	$1,054.39
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	110	CFM	VA101F12J0012	10/29/2011	FIRM FIXED PRICE	C214	ARCHITECT AND ENGINEERING-GENERAL: MANAGEMENT ENGINEERING	NO SET ASIDE USED.	BPA CALL	627009152	J. M. WALLER ASSOCIATES INC	YES	YES	SMALL BUSINESS	1	$60,370.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	111	CFM	VA101CFMC0006	12/21/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	121257708	J2 ENGINEERING INC	YES	YES	SMALL BUSINESS	1	$7,546.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	111	CFM	VA101CFMC0006	11/28/2011	FIRM FIXED PRICE	Y141	CONSTRUCT/HOSPITALS & INFIRMARIES	SDVOSB SOLE SOURCE	DEFINITIVE CONTRACT	121257708	J2 ENGINEERING INC	YES	YES	SMALL BUSINESS	1	$226,285.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	4537	OALC	VA101049A3P0447	02/17/2012	FIRM FIXED PRICE	R707	SUPPORT-MANAGEMENT: CONTRACT/PROCUREMENT/ACQUISITION SUPPORT	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	198118341	BNF TECHNOLOGIES, INC.	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	152	VHA	V101C25007	10/02/2011	FIRM FIXED PRICE	R699	SUPPORT-ADMINISTRATIVE: OTHER	VETERAN SET ASIDE	DELIVERY ORDER	792202819	SUNDANCE STAFFING MINNESOTA LLC	YES	NO	SMALL BUSINESS	1	$68,379.20
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010F	OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT	32	152	VHA	VA240CP0002	10/01/2011	FIRM FIXED PRICE	R699	SUPPORT-ADMINISTRATIVE: OTHER	VETERAN SET ASIDE	IDC	792202819	SUNDANCE STAFFING MINNESOTA LLC	YES	NO	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010H	03 OFFICE OF ADMINISTRATION (03)	35	111	CFM	V101Z20305	01/25/2012	FIRM FIXED PRICE	Z2AA	REPAIR OR ALTERATION OF OFFICE BUILDINGS		BPA	100368427	DONE DEAL GENERAL CONSTRUCTION AND ELECTRICAL INCORPORATED	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010H	03 OFFICE OF ADMINISTRATION (03)	35	111	CFM	V10H101Z20322	01/31/2012	FIRM FIXED PRICE	Z2AA	REPAIR OR ALTERATION OF OFFICE BUILDINGS		BPA	831051052	CALISTOGA CONSTRUCTION, LLC	YES	YES	SMALL BUSINESS	1	$0.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010H	03 OFFICE OF ADMINISTRATION (03)	35	111	CFM	V101Z20416	02/29/2012	FIRM FIXED PRICE	Z1AA	MAINTENANCE OF OFFICE BUILDINGS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	PURCHASE ORDER	143047376	FRONTLINE ENTERPRISES, LLC	YES	YES	SMALL BUSINESS	1	$21,707.50
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010H	03 OFFICE OF ADMINISTRATION (03)	35	111	CFM	V10H101Z20416	02/29/2012	FIRM FIXED PRICE	Z1AA	MAINTENANCE OF OFFICE BUILDINGS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	DEFINITIVE CONTRACT	143047376	FRONTLINE ENTERPRISES, LLC	YES	YES	SMALL BUSINESS	1	$21,707.50
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010H	03 OFFICE OF ADMINISTRATION (03)	35	111	CFM	V10H101Z20374	02/23/2012	FIRM FIXED PRICE	Z1AA	MAINTENANCE OF OFFICE BUILDINGS	SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	PURCHASE ORDER	143047376	FRONTLINE ENTERPRISES, LLC	YES	YES	SMALL BUSINESS	1	$26,944.00
3600	VETERANS AFFAIRS, DEPARTMENT OF	0010H	03 OFFICE OF ADMINISTRATION (03)	35	167	OIT	VA101S25023	03/01/2012	FIRM FIXED PRICE	7220	FLOOR COVERINGS	NO SET ASIDE USED.	DELIVERY ORDER	806997271	DESTINY ALLIANCE CONSULTING, LLC	YES	YES	SMALL BUSINESS	1	$9,565.14

Question 22. In the last year, the VA Center for Veterans' Enterprise (CVE) has been working on eliminating the backlog of SDVOSBs and VOSBs awaiting certification of their statuses in order to begin bidding on VA set-aside contracts.

a. How does CVE measure the effectiveness of its communications with SDVOSBs and VOSBs during the verification process?

Response. Although this is not currently being measured, VA believes that this will be useful going forward. The CVE Strategic Communication Plan, which is being developed, will use a number of tools to measure the effectiveness of its communications with SDVOSBs and VOSBs. These tools include, but are not limited to, call center volume, Congressional correspondence volume, telephone and e-mail surveys, the percentage of initial applications that are denied, the percentage of initial denials that are overturned, and direct feedback from Veterans during focus groups and presentations at conferences, workshops, and other venues attended by CVE leadership.

b. Please provide the Committee with the current number of companies awaiting verification and the current average time companies have been awaiting verification once all documents have been submitted and verified by CVE.

Response. As of April 11, 2012, there are 1,143 companies with complete applications awaiting verification. The average processing time for these applications is 61 days.

Question 23. Last year, the Committee learned that VISN 20 contracted with a company called Values Coach, Inc., for $394,000. In a response to an inquiry from the Committee, VA indicated that VISN 20 hired Values Coach to design a program "to enhance performance in the area of customer satisfaction."

a. For fiscal year 2012, how much was spent across all VISNs on customer services contracts to enhance customer satisfaction?

b. For fiscal year 2013, how much will be spent across all VISNs on customer services contracts to enhance customer satisfaction?

c. For the VISN 20 Values Coach contract, please describe the metrics used to determine whether customer satisfaction changed as a result of this contract.

d. Please provide a detailed description of the process required to secure contracts for customer service training to enhance customer satisfaction.

e. Does the Federal Government (VA, Office of Personnel Management, etc.) provide coaching services which would train Federal employees to improve their customer service skills? If so, please describe the program(s) in detail.

Response. [These questions are repeated in and answered posthearing questions, section GENERAL, Question 9.]

Question 24. The VA Office of Human Resources and Administration produced the "VA Organizational Briefing Book, June 2010." Within the handbook there is a chart reflecting the "Organization of the Department of Veterans Affairs." The handbook then discusses the mission, scope, and functions of each subordinate office within VA that is reflected on the chart. Associated with each subordinate office is a chart reflecting the respective organizational make-up. Since June 2010, there have been a number of office reorganizations.

a. Please provide an up-to-date chart for each office that has undergone any reorganization since the publication of the 2010 handbook. Please note the effective date of the reorganization on the chart, as well as the total full-time equivalents (SES/SES Equivalent, GS, career or non-career) assigned to the office as of February 13, 2012.

Response. In November 2011, the Department began an extensive process to review, revise and update information related to organizational structures, mission, functions and tasks. Updated documents will be posted on the VA's Web site when this process is complete.

b. Please identify any offices currently undergoing reorganization and the anticipated completion date for the reorganization.

Response. In November 2011, the Department began an extensive process to review, revise and update information related to organizational structures, mission, functions and tasks. Updated documents will be posted on the VA's Web site when this process is complete.

Question 25. VA has a number of tools available to assist veterans from losing homes guaranteed through the VA home loan program. In the unfortunate instances these programs do not work and a veteran goes into foreclosure or default, VA is required to reimburse the holder of the mortgage for up to 25% of the purchase price. In order to avoid incurring large costs to the Loan Guaranty Service and taxpayers, VA has the authority to purchase the properties from the banks and later sell the properties instead of paying the guaranty.

VA Clarification: The formula prescribed in 38 U.S.C. § 3732 for determining how much VA reimburses the holder of the mortgage are more complex than the process stated in the question. Prior to a foreclosure on property securing a GI Loan, a VA fee panel appraiser determines the property's fair market value. This appraisal is reviewed either by the servicer's certified appraisal reviewer or by VA appraisal staff. To determine the net value of the property, VA reduces the property's fair market value by the established cost factor that reflects VA's estimated loss on property resale and VA's estimated costs for acquisition, management and disposition of the property.

A holder of a defaulted GI Loan may elect to convey the property to VA if the net value is greater than the difference between (a) the total indebtedness represented by the defaulted GI Loan and (b) VA's maximum guaranty obligation for the GI Loan. Conversely, if the net value of the property is less than that difference, the holder generally will have no such option to convey the property to VA, and VA will pay the guaranty amount to the holder, who will retain title to the property.

The conveyance of the property does not substitute for the guaranty liability. The amount of guaranty payment is based on variables such as net value, total indebtedness, and the foreclosure sale amount.

a. Please provide the number of homes the VA Loan Guaranty Service has taken possession of during the last five years.

Response. Between October 1, 2006, and September 30, 2011, VA's Loan Guaranty Service acquired 61,024 properties.

b. How much has VA spent to acquire properties in the last five years, and how much has VA recouped in sales of those attained property assets?

Response. VA paid $6.3 billion to acquire 61,024 properties. VA has recouped $5.3 billion in sales of 59,109 acquired properties during the same time period.

c. Of the properties that VA has acquired over the last five years, please detail the number of those properties VA still holds.

Response. As of September 30, 2011, VA had an inventory of 7,038 properties acquired within the last five years.

d. Please detail the plan to dispose of the remaining properties held by VA.

Response. VA has a management and marketing contract with a property management service provider, currently Bank of America, to accept new property assignments and to manage, market, and dispose of the existing inventory. This has resulted in a decline in the overall inventory of properties from 10,521 on January 1, 2011, to 7,123 on September 30, 2011; 7,038 of the total inventory on September 30, 2011 were boarded between October 1, 2006 and September 30, 2011. VA will continue through its management and oversight of this contract to reduce this inventory.

Question 26. In the fiscal year 2013 budget request, the National Cemetery Administration (NCA) proposed a new initiative to expand burial access to rural communities. The proposal is "to establish a national cemetery presence * * * where the Veteran population is less than 25,000 within a 75-mile [radius]."

a. What are NCA's estimates for usage and burial?

Response. Interment projections in the below table are based on an analysis of a sample of cemeteries in similar rural locations. More precise estimates will be determined based on actual usage.

10 Yr. Projections of Total Interments at National Veterans Burial Grounds as of March 7, 2012

	Rhinelander Wisconsin	Fargo North Dakota	Cheyenne Wyoming	Idaho Falls Idaho	Cedar City Utah	Laurel Montana	St. Stephen Maine	Elko Nevada
2015	390	290	220	180	370	220	130	40
2016	390	290	220	180	380	220	130	40
2017	390	290	230	180	390	230	130	40
2018	400	300	240	190	420	240	130	40
2019	400	300	240	190	440	240	130	40
2020	400	290	250	200	450	240	130	40
2021	400	290	250	200	460	240	130	40
2022	390	290	250	200	470	240	130	40
2023	390	280	250	200	480	240	130	40
2024	380	280	250	200	490	250	130	40

b. The fiscal year 2012 appropriation language requires NCA to develop cost estimations for five rural cemeteries. Of the eight states included on the initial list for

the new rural initiative, how many areas within each state meet all the current requirements as proposed by the rural initiative (population, distance, and lack of current burial options)?

Response. The table below lists county/city pairs in each of the eight states. Each city represents a potential focal point for establishing a National Veterans Burial Ground and meets the criteria for the Rural Veterans Burial Policy, i.e., there is no open national cemetery serving Veterans in the state and no more than 25,000 Veterans, who do not have reasonable access to a burial option in a national or state Veterans cemetery, reside within 75 miles of the focal point. The area selected within each state for a National Veterans Burial Ground contains the largest number of Veterans up to the 25,000 threshold.

State	County	City
Idaho	Twin Falls	Twin Falls
Idaho	Lemhi	Salmon
Idaho	Teton	Idaho Falls
Maine	Penobscot	Millinocket
Maine	Washington	St. Stephen
Montana	Flathead	Kalispell
Montana	Blaine	Lewistown
Montana	Valley	Glasgow
Montana	Beaverhead	Dillon
Montana	Yellowstone	Laurel
Nevada	Humboldt	Winnemucca
Nevada	White Pine	Ely
Nevada	Esmerelda	Tonopah
Nevada	Elko	Elko
North Dakota	Ramsey	Devils Lake
North Dakota	Mountrail	Stanley
North Dakota	Bowman	Bowman
North Dakota	Cass	Fargo
Utah	Sevier	Richfield
Utah	San Juan	Blanding
Utah	Uintah	Vernal
Utah	Iron	Cedar City
Wisconsin	Marinette	Marinette
Wisconsin	Oneida	Rhinelander
Wyoming	Sweetwater	Rock Springs
Wyoming	Park	Cody
Wyoming	Sheridan	Sheridan
Wyoming	Laramie	Cheyenne

c. Of the eight states that meet the initial criteria for the new rural initiative, have any filed paperwork or are awaiting approval for a state cemetery grant?

Response. Idaho has received and accepted an opportunity offer for an expansion grant at Idaho State Veterans Cemetery in Boise. The State is currently working on requirements for funding in 2012.

Montana has received and accepted an opportunity offer for an expansion and improvement grant for Western Montana Veterans Cemetery in Missoula and is currently working on requirements for funding in 2012. Another improvement grant for Montana State Veterans Cemetery in Helena is in the project inventory.

Nevada received an expansion and improvement grant in 2011 for Southern Nevada Veterans Cemetery in Boulder City. Construction is in progress. The State has

received and accepted an opportunity offer for an expansion grant for the same cemetery and is currently working on requirements for funding in 2012. An additional operations and maintenance grant for the cemetery is in the project inventory. One grant pre-application for establishment of a cemetery in Fallon has been submitted but requires matching funds before being considered.

North Dakota was awarded an operations and maintenance grant in 2011 for North Dakota Veterans Cemetery in Mandan.

Maine was awarded two grants in 2011. One was an expansion Grant for Southern Maine Veterans Cemetery in Springvale. Construction is in progress. The other was an operations and maintenance grant for Maine Veterans' Memorial Cemetery Civic Center Drive in Augusta. An improvement grant for Maine Veterans' Memorial Cemetery Mt. Vernon Road in Augusta, ME, is in the project inventory. Another improvement grant pre-application for Northern Maine Veterans' Cemetery in Caribou needs matching funds before being considered for funding.

Utah had two grants funded in 2011 for Utah State Veterans Cemetery in Bluffdale. One was an operations and maintenance grant. The other was an expansion and improvement grant.

Wisconsin has one operations and maintenance grant for Southern Wisconsin Veterans Memorial Cemetery in Union Grove, WI, that is in the project inventory.

Wyoming has received and accepted an opportunity offer for an operations and maintenance grant for Oregon Trail Veterans Cemetery in Evansville and is currently working on requirements for funding in 2012. Another improvement grant for the same cemetery is in the project inventory.

Please note that the service area for each proposed National Veterans Burial Ground does not overlap with a planned or existing State or Tribal cemetery.

d. According to the fiscal year 2013 budget request, 89% of veterans were served by a burial option within 75 miles of their residence in 2011. Of the remaining veterans not served by a burial option within 75 miles, how many live in the eight states meeting the initial criteria for the rural initiative? Please detail the information by state.

Response. Note: These numbers include Veterans expected to be served by the eight new National Veterans Burial Grounds since they are not included in the 89% of Veterans currently served.

State	Unserved Veterans	
Idaho	54,092	
Maine	7,806	
Montana	34,594	
Nevada	13,690	
North Dakota	42,962	
Utah	35,687	
Wisconsin	42,654	
Wyoming	46,607	
Total*	278,092	1.30%

*As of 9/30/11

Question 27. During the first session of the 112th Congress, the Senate Committee on Veterans' Affairs held two hearings on issues within VA's mental health program. The hearings highlighted the problems veterans face in accessing needed on-going treatment in mental health clinics. These hearings also probed the results of a VA survey of Veterans Health Administration mental health providers who revealed the problem with veterans accessing care. How does the fiscal year 2013 budget address the issues relating to wait times for appointments, a lack of availability of follow-up appointments, staffing shortages, and lack of space in the mental health clinics which were raised in the Committee hearings?

Response. VA's 2013 budget provides $6.2 billion for mental health care, an increase of $450 million, or 12 percent, over the FY 2011 enacted level. Over the four-year period from 2009 through 2012, VA will have spent $21.0 billion on mental health care. VA is expanding mental health programs and is integrating mental health services with primary and specialty care thus providing better coordinated care for our Veteran patients.

On April 19, 2012, VA announced the department would add approximately 1,600 mental health clinicians—to include nurses, psychiatrists, psychologists, and social workers as well as nearly 300 support staff to its existing workforce of 20,590 men-

tal health staff as part of an ongoing review of mental health operations. VA's ongoing comprehensive review of mental health operations has indicated that some VA facilities require more mental health staff to serve the growing needs of Veterans. VA is moving quickly to address this top priority. Based on this model for team delivery of outpatient mental health services, plus growth needs for the Veterans Crisis Line and anticipated increase in Compensation and Pension (C&P)/Integrated Disability Evaluation System (IDES) exams, VA projected the additional need for 1,900 clinical and clerical mental health staff at this time. As these increases are implemented, VA will continue to assess staffing levels.

On April 24, 2012, VA announced that it has expanded its mental health services to include professionals from two additional health care fields: marriage and family therapists (MFT) and licensed professional mental health counselors (LPMHC).

The two fields will be included in the hiring of an additional 1,900 mental health staff nationwide mentioned above. Recruitment and hiring will be done at the local level. The new professionals will provide mental health diagnostic and psychosocial treatment services for Veterans and their families in coordination with existing mental health professionals at VA's medical centers, community-based outpatient clinics, and Vet Centers.

VA has developed qualification standards for employment as LPMHCs and MFTs and has announced the appointments of mental health and health science professionals to serve on professional standards boards. The boards will review applicants for LPMHC and MFT positions in the Veterans Health Administration (VHA) to determine eligibility for employment and the government grade level appropriate for the individual in the selected position. The boards will also review promotions in these positions.

In FY 2012, VA is following up on the issues raised by the query of mental health professionals with the Mental Health Action Plan, which focuses on actions in four areas.

• To address scheduling issues, VHA conducted an internal review of the mental health scheduling process and is also providing continuing support for the OIG review of the mental health scheduling process. VHA has added new performance measures in FY 2012 to allow VISN/VACO leadership to identify and improve processes that impact timeliness for facilities that are not currently providing timely follow up for Veterans discharged from inpatient mental health care; timely provision of enhanced care for Veterans identified at risk for suicide; timely access to PTSD services; and timely access to eight sessions of psychotherapy for OEF/OIF/OND Veterans with PTSD . During FY 2012, VHA is developing additional measures to monitor access for other types of mental health services for deployment in FY 2013. Additional efforts are also aimed at improving the scheduling system overall. The goal of the National Medical Scheduling initiative is to replace VHA's existing scheduling system with one that allows VHA to provide more Veteran-centric scheduling, to make the process easier and more efficient for schedulers, and to more effectively manage resources. VHA is currently reviewing responses to the Request for Information (RFI) which was issued to assess the current market for scheduling replacement options. Next steps may include use of a contest to identify best practices and ultimately issuance of a Request for Proposal (RFP).

• To address staffing issues, VHA has developed and is implementing a national mental health staffing model starting in FY 2012. Full implementation of the model will provide VISN/VHA leadership with a national standard for staffing mental health services. In conjunction with the utilization projection models used by VHA in developing the budget requests, expected increases in demand for mental health services are built into the budget request. Targeted increases in staffing will be deployed in FY 2012 and FY 2013 as appropriate based on the mental health staffing model. Additionally, targeted increases will be provided to address staffing requirements for the expected increase in C&P /IDES exams.

• To address space shortages, VHA has requested that facilities evaluate both short-term and long-term strategies. Because of the length of time required to fully develop capital improvement plans, facilities have identified short-term actions to improve utilization of existing space such as use of off-hours scheduling, use of telemental health, sharing of offices for administrative staff, reallocation of space from programs that have decreased demand to programs that are increasing in demand as well as planned capital improvements or minor renovation projects that will open in FY 2012/2013. Long-term plans include prioritization of capital improvement plans for mental health space needs and/or leasing space in the FY 2014 SCIP planning cycle. New space and renovations for mental health is a critical element in the prioritization process for the SCIP process, with projects supporting mental health needs ranking in the second highest criteria—Secretarial priorities; safety is the first criteria. This has been the mental health ranking for the past two SCIP

prioritization cycles, and it is anticipated to remain as such in the FY 2014 process as well. With this designation in the priority ranking, a large amount of funding has been and continues to be targeted toward mental health projects or projects that potentially include mental health facets. In fact, for VHA's FY 2012 and FY 2013 budgets, mental health specific projects represent over 13 percent and mental health plus potential mental health projects represent over 25 percent of the planned funding with the appropriated and requested budgets ($321 million and $623 million, respectively, out of $2.51 billion.)

• To ensure continued identification and improvement to address barriers to access for mental health care, VHA has initiated additional quality improvement processes, including the use of site visits to all VHA health care systems in FY 2012, to collaborate with facilities/VISNs in identifying opportunities for improvement in care and best practices for dissemination throughout VA in the provision of care. The site visits to review mental health programs at all VHA health care systems are currently in process and are scheduled to be completed by September 30, 2012. Selected follow-up visits will be schedule for FY 2013. In FY 2012, VHA is also developing a staff survey and a Veteran survey for use by facilities in obtaining routine feedback about perceived barriers to care from front-line mental health staff and Veterans using mental health services. Also in FY 2012, VHA leadership has chartered a workgroup to review the mental health program overall, identify gaps in care, and develop a plan to address within FY 2012 and FY 2013.

Question 28. Within the President's fiscal year 2013 Budget Submission, VA listed a "VA Real Property Cost Savings and Innovation Plan," reflecting savings of $66 million in fiscal year 2013 and $66 million in fiscal year 2014. VHA's portion purportedly includes a number of initiatives to repurpose vacant and underutilized assets. VA indicated it has "identified 166 vacant or underutilized buildings to repurpose for homeless housing and other initiatives."

a. Please describe in detail the "other initiatives" being considered by VA and the current status and manner of planning (contract, internal VA, etc.) for each initiative.

Response. All buildings identified in this section of the VA Real Property Cost Savings and Innovation Plan have been successfully out-leased to 3rd parties, having been repurposed using VA's recently-expired (December 31, 2011) Enhanced-Use Lease (EUL) Authority. While VA does have other authorities and internal options for repurposing assets, this section of the cost savings plan focuses on EULs specifically, because they transfer operational costs to such 3rd parties for an extended period of time, allowing operational cost savings to occur while providing value to the VA, Veterans, and local communities.

VA remains committed to the objective of the EUL program to effectively leverage and manage its inventory of underutilized properties through projects beneficial to Veterans, VA, Federal and state governments, local communities, and American taxpayers. The Administration will work with the Congress to develop future legislative authorities to enable this Department to further repurpose its underutilized properties.

The $66 million in savings is specific to VHA, but is not all related to the repurposing of vacant or underutilized assets. VA included other initiatives in the savings plan, such as savings from green management actions and reductions in leasing, that contribute to the overall $66 million savings for VHA. These savings will be realized by the end of 2012 as required by the Presidential Memorandum of June 2010 for disposing of unneeded Federal real estate. Savings in 2013 and 2014 would be recurring savings from the actions taken by the end of 2012; no additional actions are included in the plan beyond 2012 in accordance with the Presidential Memorandum.

b. Please provide a list of the locations of these 166 underutilized assets; the proposed or planned purpose for each asset; and the fiscal year in which the asset is expected to be repurposed to achieve the purported savings.

Response. The requested information is included in the spreadsheet below. This information includes permanent housing, transitional housing, assisted living facilities, and nursing/long-term care facilities.

Repurposed Buildings

Department of Veterans Affairs; 4-9-12

Location	Building	Square Footage	Proposed Purpose	Target Population	Status	Included in Original 166 List
Augusta, Uptown	7	13,288	Permanent Veteran Housing	Non-senior disabled and at-risk Veterans	Q1 2012 Executed EUL	Yes
Augusta, Uptown	76	56,712	Permanent Veteran Housing	Non-senior disabled and at-risk Veterans	Q1 2012 Executed EUL	Yes
Augusta, Uptown	18	28,530	Permanent Veteran Housing	Non-senior disabled and at-risk Veterans	Q1 2012 Executed EUL	Yes
Bath	50	2,491	Permanent and Transtional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	No
Bath	51	2,516	Permanent and Transtional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	No
Bath	52	3,458	Permanent and Transtional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	No
Bedford	39	960	Permanent Veteran Housing	Homeless senior and low-income senior Veterans and their families	Q1 2012 Executed EUL	No
BHS, Brockton	60	17,185	Permanent Veteran Housing	Homeless Veterans	Q1 2012 Executed EUL	Yes
Canandaigua	14	22,545	Permanent and Transtional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Chillicothe	2	16,000	Permanent and Transtional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Chillicothe	6	16,000	Permanent and Transtional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Chillicothe	35	79,932	Permanent and Transtional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Danville	31	9,140	Permanent Veteran Housing	Homeless, disabled, and senior Veterans and their families	Deferred due to expiration of EUL Authority	Yes
Dayton	227	460	Permanent and Transtional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Harrison	2	19,700	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	3	10,644	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	4	10,646	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	5	10,641	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	11	3,417	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	12	3,417	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	13	3,417	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	14	2,453	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	35	9,092	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	41	2,453	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Harrison	42	2,186	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	57	3,048	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	3	5,330	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	5	7,796	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	6	6,035	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	8	6,072	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	9	5,664	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	10	6,186	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	11	6,186	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	12	6,186	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	13	6,186	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	14	6,186	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	15	5,120	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	16	2,690	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	37	11,620	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	43	6,950	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	44	2,740	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	51	23,610	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	59	3,048	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	61	21,138	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	63	3,280	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	64	13,250	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes

Repurposed Buildings

Location	Building	Square Footage	Proposed Purpose	Target Population	Status	Included in Original 166 List
Fort Howard CBOC	68	4,740	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	70	1,620	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	156	1,800	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	174	5,210	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	225	119,118	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	226	8,360	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	228	610	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	230	4,590	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	T240	2,234	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	T244	1,310	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	T245	2,731	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	T246	2,332	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	T247	1,160	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Fort Howard CBOC	T248	300	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	225A	12,368	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Fort Howard CBOC	T239	2,175	Permanent and Transitional Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Knoxville	1	63,832	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	2	8,775	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	3	17,278	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	4	42,706	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	5	27,442	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	6	4,981	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	7	10,446	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	8	9,567	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	9	26,895	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	10	3,352	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	11	6,001	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	12	4,659	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	13	4,645	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	14	26,000	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	27	28,894	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	28	11,119	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	62	720	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	65	4,652	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	66	26,061	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	67	42,313	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	68	43,107	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	74	43,849	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	75	4,476	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	77	7,076	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes

Repurposed Buildings

Location	Building	Square Footage	Proposed Purpose	Target Population	Status	Included in Original 166 List
Knoxville	81	43,835	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	82	43,836	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	85	43,836	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	99	2,850	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	101	55,311	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	102	55,817	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	122	1,294	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	135	1,462	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	136	5,849	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	161	5,119	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	163	26,121	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	167	4,000	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	171	800	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Knoxville	173	5,504	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Leavenworth	42	12,232	TBD	TBD	Removed, building in use by local facility	Yes
Leavenworth	45	5,495	TBD	TBD	Removed, building in use by local facility	Yes
Lincoln	1	70,781	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	2	15,394	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	3	28,236	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	4	7,541	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	5	18,161	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	6	2,955	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	7	3,315	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	8	3,480	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	9	797	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	12	11,607	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	13	1,245	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	15	660	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	17	500	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	18	1,900	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	19	1,000	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	24	8,595	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	34	1,900	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	40	3,431	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	42	2,904	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Lincoln	45	23,525	Mixed-Use Development including housing	At-risk Veterans and their families, Community	Q1 2012 Executed EUL	No
Memphis	8	5,716	Renovation of commercial building and increased parking capacity	Veterans and Public	Q1 2012 Executed EUL	No
Miiwaukee	12	7,316	TBD	TBD	Deferred due to expiration of EUL Authority	Yes

Repurposed Buildings

Location	Building	Square Footage	Proposed Purpose	Target Population	Status	Included in Original 166 List
Milwaukee	16	3,494	TBD	TBD	Deferred due to expiration of EUL Authority	Yes
Minneapolis	222	61,969	Permanent Veteran Housing	Homeless Veterans and their families	Removed, building in use by local facility	Yes
Minneapolis	210	4,733	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Minneapolis	211	19,160	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Minneapolis	214	18,778	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Minneapolis	227	3,893	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Minneapolis	229	14,020	Permanent Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Northampton	20	20,784	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Deferred due to expiration of EUL Authority	Yes
Northport	23	6,932	Permanent and Transitional Veteran Housing	Homeless and/or at-risk Veterans and their families	Q1 2012 Executed EUL	No
Northport	25	6,932	Permanent and Transitional Veteran Housing	Homeless and/or at-risk Veterans and their families	Q1 2012 Executed EUL	No
Northport	26	6,932	Permanent and Transitional Veteran Housing	Homeless and/or at-risk Veterans and their families	Q1 2012 Executed EUL	No
Northport	27	5,120	Permanent and Transitional Veteran Housing	Homeless and/or at-risk Veterans and their families	Q1 2012 Executed EUL	No
Northport	28	208	Permanent and Transitional Veteran Housing	Homeless and/or at-risk Veterans and their families	Q1 2012 Executed EUL	No
Northport	90	240	Permanent and Transitional Veteran Housing	Homeless and/or at-risk Veterans and their families	Q1 2012 Executed EUL	No
Orlando	519 - 522	25,771	TBD	TBD	Deferred due to expiration of EUL Authority	Yes
Perry Point	1080	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Building swapped for different building on site.	Yes
Perry Point	1105	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Building swapped for different building on site.	Yes
Perry Point	1172	2,746	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Building swapped for different building on site.	Yes
Perry Point	1062	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1063	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1065	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1066	3,078	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1067	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1068	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1069	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1070	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1071	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1073	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1074	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1075	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1077	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1078	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1079	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1080	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	No
Perry Point	1082	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1083	3,574	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1084	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1085	3,641	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1086	3,574	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1087	2,642	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1088	2,642	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes

Repurposed Buildings

Location	Building	Square Footage	Proposed Purpose	Target Population	Status	Included in Original 166 List
Perry Point	1089	3,574	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1093	3,641	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1095	3,574	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1103	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1104	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1106	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1107	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1108	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1110	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1111	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1112	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1113	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1117	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1121	2,811	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1125	3,078	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1127	2,961	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1131	3,641	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1132	3,641	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1138	3,078	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1139	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1141	2,726	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1143	3,078	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1146	3,078	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1147	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1152	3,641	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1154	3,574	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1155	3,641	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1156	3,641	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	No
Perry Point	1163	2,746	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1164	2,642	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1165	2,642	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1166	2,746	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1167	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	No
Perry Point	1168	2,984	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1169	2,746	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1170	2,642	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Perry Point	1173	2,746	Permanent and Transitional Veteran Housing	Homeless Veterans and their families	Q1 2012 Executed EUL	Yes
Topeka	269	2,157	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Building swapped for different building on site.	Yes
Topeka	60	6,362	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Building swapped for different building on site.	Yes
Topeka	254	1,639	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Q1 2012 Executed EUL	No

Repurposed Buildings

Location	Building	Square Footage	Proposed Purpose	Target Population	Status	Included in Original 166 List
Topeka	257	1,631	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Q1 2012 Executed EUL	Yes
Topeka	259	1,633	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Q1 2012 Executed EUL	No
Topeka	261	1,369	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Q1 2012 Executed EUL	Yes
Topeka	263	1,376	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Q1 2012 Executed EUL	Yes
Topeka	265	1,526	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Q1 2012 Executed EUL	Yes
Topeka	267	1,595	Permanent Veteran Housing	Homeless, at-risk and senior Veterans and their families	Q1 2012 Executed EUL	No
Tuscaloosa	33	40,230	Permanent Veteran Housing	Homeless and/or at-risk Veterans and their families	Q1 2012 Executed EUL	No
VACHS, Newington	44T	2,630	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Removed, not suitable for reuse (trailers)	Yes
VACHS, Newington	5	27,769	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
VACHS, Newington	13	2,970	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
VACHS, Newington	27	2,000	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
VACHS, Newington	31	580	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
VACHS, Newington	43	3,872	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	Yes
Walla Walla	2	5,158	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Walla Walla	3	4,850	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Walla Walla	4	4,850	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No
Walla Walla	5	5,116	Permanent Veteran Housing	Homeless and at-risk Veterans and their families	Q1 2012 Executed EUL	No

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Question 29. Following the fiscal year 2012 budget hearing, the Committee asked a question relating to VA research into the "health conditions and risk factors that relate to homelessness and on the effectiveness of VA homeless services." In VA's response, VA provided the Committee with information about current studies underway and stated that "[w]e anticipate preliminary data on most of them to be available by the end of [f]iscal [y]ear 2011, and final reports by the end of [f]iscal [y]ear 2012."

a. Please share any preliminary data VA may have from these studies.

Response. VA recognizes the importance of studying and understanding the homeless and at-risk of homelessness Veteran population. To this end, VA is conducting several ongoing studies in order to better understand the risk factors related to homelessness and the effectiveness of VA homeless services. These studies have informed and will continue to inform VA's strategy to end Veteran homelessness.

VA has already published some of the research findings from studies that were ongoing during the FY 2012 budget hearings. For example, with regard to research on homeless risk factors, VA and HUD collaborated on the *Veteran Homelessness: A Supplemental Report to the 2010 Annual Homeless Assessment Report to Congress* (Vet AHAR). The Vet AHAR describes the extent and nature of homelessness among Veterans. The Vet AHAR analyzes the demographic characteristics of homeless Veterans, including race, ethnicity, gender, age, and disability status. These characteristics are compared to those of other populations including the non-Veteran homeless population, the total Veteran population, and the population of Veterans living in poverty. These comparisons highlight the higher risks of homelessness faced by Veterans, particularly poor Veterans.

The Vet AHAR found that female Veterans are at especially high risk of homelessness, and the risk increases considerably if the female Veteran is impoverished. Female Veterans are more than twice as likely to be homeless as female non-Veterans, and female Veterans in poverty are more than three times as likely to be homeless as female non-Veterans in poverty. Additionally, male Veterans are at a lower risk of homelessness when compared to their non-Veteran counterparts; however, male Veterans living in poverty are at greater risk of homelessness. Furthermore, the prevalence of sheltered homelessness among minority groups in poverty is very high. More than 18 percent of poor Hispanic/Latino Veterans, 26 percent of poor African American Veterans, and 26 percent of poor American Indian and Alaska Native Veterans were homeless at some point during 2010. Young Veterans (between the ages of 18 and 30) are also at high risk of using the shelter system, especially young Veterans in poverty. Young Veterans are more than twice as likely to

be homeless as their non-Veteran counterparts, and young Veterans in poverty are almost four times as likely to be homeless than their non-Veteran counterparts in poverty. Last, homeless Veterans are largely white men with a disability and between the ages of 31 and 61. For more information, please find the Vet AHAR at the following link.

http://www.va.gov/HOMELESS/docs/2010_AHAR_Veterans_FINAL_10242011.pdf

Additionally, in August 2011, the VA National Center on Homelessness among Veterans published a study entitled *Prevalence and Risk of Homelessness among U.S. Veterans: A Multisite Investigation*. The principal findings of this study indicate that Veteran status is associated with a higher risk of homelessness and that a greater proportion of Veterans were in the homeless population than in either the general population or the population living in poverty. More specifically, in terms of age, across the general homeless population (Veterans and non-Veterans), males had the highest risk for homelessness in the 45–54 year age group. For females, risk for homelessness was highest among the 18–29 year age group and risk declined as age increased. For more information, please find study at the following link.

http://www.va.gov/HOMELESS/docs/Center/Prevalence_Final.pdf

VA continues to study the effectiveness of VA homeless services. For example, the VA's National Center on Homelessness among Veterans is completing a study on Veterans exiting the HUD-VA Supportive Housing (HUD-VASH) Program and completing a study examining the effectiveness of a pilot program implementing the Housing First Model at selected HUD-VASH sites. Preliminary findings from the HUD-VASH Exit Study reveal that male Veterans with substance use disorders are disproportionally represented in the negative exits. Additionally, chronically homeless Veterans admitted to HUD-VASH are able to maintain housing at similar rates to the non chronic homeless population. Finally, the most prevalent factor in a negative discharge was failure to comply with the Landlord/Tenant lease agreements.

b. How has the preliminary data been used to ensure VA is providing the needed services to reduce the number of homeless veterans?

Response. Throughout the course of these research studies, VA has used the preliminary and now final data from *Prevalence and Risk of Homelessness among U.S. Veterans: A Multisite Investigation* and the preliminary and now final data from the Vet AHAR to inform VA's strategic plan for the Ending Veteran Homelessness Initiative. VA continues to carefully review all major research publications in the field of homelessness as well as preliminary and finalized VA homeless research data to ensure VA is effectively preventing and ending Veteran homelessness.

c. Are the final reports still expected to be available at the end of fiscal year 2012?

Response. VA is in the process of finalizing several studies and reports on VA homeless programs and services. For example, VA is finalizing a report examining the characteristics and trends of Veterans exiting the HUD-VASH Program. VA is also examining the effectiveness of the Housing First Model in the HUD-VASH Program by examining trends, lease up rates, treatment engagement, and the impact of housing on Emergency Room and acute hospitalization rates.

Question 30. The Secretary of Veterans Affairs recently announced that the number of homeless veterans dropped by 12 percent from 2010 to 2011, bringing the approximate number of homeless veterans in 2011 to 67,495. Both the President and the Secretary attribute the improvement to over a billion dollars invested in homeless initiatives by the Federal Government. The fiscal year 2013 budget request indicates the goal of reducing the number of homeless veterans to 35,000 in 2013.

a. Please describe what manner, means, and methods, if any, are currently in place, or will be in place, to specifically identify the homeless veterans who have been removed from the homeless count in 2011.

Response. The Secretary of VA and the Secretary of HUD announced that the annual HUD Point in Time (PIT) count decreased by 12 percent from 2010 to 2011, bringing the number of homeless Veterans on any given night in 2011 to approximately 67,495. The decrease in the number of Veterans identified through the PIT count is a positive indicator that modest but significant gains have been made in reducing Veteran homelessness. However, it is important to clarify that PIT data is self reported de-identified data. VA cannot identify Veterans from the PIT count who have exited homelessness.

b. If there are no tracking methods in place and coordinated and utilized across VHA and the Veterans Benefits Administration, are there any plans to develop such a tracking capability?

Response. Through its comprehensive Homeless Registry,VA can identify homeless Veterans that have exited homelessness. The VA Homeless Registry is a database and reporting system that provides longitudinal Veteran-specific, identified information related to homelessness and at risk for homelessness. The Homeless Reg-

istry provides reports that detail the number of homeless Veterans entering and exiting VA services including permanent housing. It can also provide data regarding the Veteran's current engagement with VA treatment and benefit services that are critical to helping Veterans obtain and maintain permanent housing. Currently, the VA Homeless Registry is in field testing, with intent to be fully deployed in fiscal year 2012.

Additionally, future plans for the comprehensive VA Homeless Registry include data matching and integration with HUD's Homeless Management Information System (HMIS). HMIS is a software application used by HUD-funded Homeless Continuums of Care (CoC) providers to record and store client-level information on the characteristics and service needs of homeless individuals and families. Once VA obtains the appropriate data sharing agreements with the local CoCs, VA will have an internal and external data system that can monitor prevalence rates and program effectiveness for our Veterans. Although this full integration is dependent on communities' willingness to share their Veteran identified HMIS data with VA, HUD and VA are working closely with local CoCs to make full data integration a reality.

Question 31. In fiscal year 2011, VA allocated $17 million for non-recurring maintenance for correcting patient privacy deficiencies. In the questions for the record following the fiscal year 2012 budget hearing, VA provided a list of women's projects from the fiscal year 2012 Strategic Capital Investment Planning process.

a. Please provide an updated list of construction projects relating to correcting patient privacy deficiencies.

Response. The information is in the spreadsheet that follows:

U.S. Department of Veterans Affairs

FY2011, FY2012 and Beyond Women/Privacy-Type Construction Projects

VISN	Facility	Project Category	Project Number	Project Year	Project Title	Total Project Cost ($)	FY2011 Obligations ($)	FY2012 Planned Design or Construction Obligation ($)	FY2013 and Beyond Planned Obligations ($)
FY2011 Actual Obligations									
1	Togus	NRM Projects	402-10-513	Grandfathered	Construct Private Bathrooms and Showers for Ward 4S of B200	$4,426,249	$352,449	$4,073,800	$0
1	Togus	NRM Projects	402-11-019S	Grandfathered	Women's Privacy Bathroom Remodels	$59,829	$59,829	$0	$0
1	Togus	NRM Projects	402-12-545	Grandfathered	Women's Clinic Renovation	$1,468,759	$118,759	$1,350,000	$0
1	Togus	Clinical Specific Initiatives	402-CSI-312	Grandfathered	Mental Health Domiciliary / Lodger Building	$4,503,334	$396,696	$4,106,638	$0
1	White River Junction	NRM Projects	405-10-104	Grandfathered	Renovate for a Women's Comprehensive Care Clinic	$852,402	$852,402	$0	$0
1	White River Junction	Minor Construction Project	405-305	Grandfathered	Psych. & Polytrauma Rural Residential Care Center	$7,869,000	$6,550,000	$0	$0
1	Bedford	NRM Projects	518-10-110	Grandfathered	Correct MH Deficiencies Inpatient 6B ward	$3,137,505	$237,505	$2,900,000	$0
1	Boston	NRM Projects	523-11-007	Grandfathered	Renovate Oncology Bathroom	$106,700	$106,700	$0	$0
1	Brockton	NRM Projects	523A5-08-140	Grandfathered	Mental Health Safety Improvements	$2,760,000	$2,760,000	$0	$0
1	Brockton	NRM Projects	523A5-11-007	Grandfathered	Renovate Bathrooms Mental Health	$119,700	$119,700	$0	$0
1	Brockton	NRM Projects	523A5-12-102	Grandfathered	MH08 Mental Health Safety Improvements Ph 4	$2,700,000	$103,162	$0	$2,596,838
1	Brockton	NRM Projects	523A5-12-145	Grandfathered	Patient Privacy Improvements	$1,800,000	$47,082	$0	$1,752,918
1	Brockton	Clinical Specific Initiatives	523A5-CSI-301	Grandfathered	Mental Health Addition	$4,397,700	$4,397,700	$0	$0
1	Brockton	Clinical Specific Initiatives	523A5-CSI-303	Grandfathered	CLC Patient Privacy & Safety Improvements, Bldg 4	$3,300,000	$247,067	$3,052,933	$0
1	Boston	Clinical Specific Initiatives	523-CSI-101	Grandfathered	Women's Imaging Site Prep	$1,970,700	$1,970,700	$0	$0
1	Manchester	NRM Projects	608-10-302	Grandfathered	Privacy Upgrades	$259,965	$259,965	$0	$0
1	Manchester	NRM Projects	608-11-202	Grandfathered	Women's Veteran Health Initiative	$164,670	$164,670	$0	$0
1	Northampton	Minor Construction Project	631-333	Grandfathered	Renovate NHCU, Building 1	$6,041,000	$4,905,042	$0	$0
1	Providence	NRM Projects	650-11-101	Grandfathered	Renovate Mental Health Outpatient Clinic Wing 3B	$3,929,386	$269,386	$3,660,000	$0
1	Providence	NRM Projects	650-11-113	Grandfathered	Provide Exam Room Curtains for Patient Dignity & Privacy	$60,081	$60,081	$0	$0
1	Providence	NRM Projects	650-11-114	Grandfathered	Replace Locks on Patient Room Doors for Female Patient Security	$28,950	$28,950	$0	$0
1	Providence	Minor Construction Project	650-334	Grandfathered	New Bedford Community Based Outpatient Clinic Expansion	$3,842,000	$200,000	$0	$3,642,000
1	Providence	Clinical Specific Initiatives	650-CSI-328	Grandfathered	Building 35 Expansion For Mental Health	$3,618,000	$259,064	$3,358,936	$0
1	West Haven	NRM Projects	689-09-104	Grandfathered	Mental Health Security Corrections	$8,518,000	$8,518,000	$0	$0
1	West Haven	NRM Projects	689-09-204	Grandfathered	Women's Health Clinic Renovation	$832,154	$76,154	$756,000	$0
1	West Haven	NRM Projects	689-10-215	Grandfathered	Unisex Privacy Bathrooms	$625,559	$173,559	$452,000	$0
1	West Haven	NRM Projects	689-11-110	Grandfathered	Women Veterans Privacy Improvements	$949,034	$99,034	$850,000	$0
1	West Haven	Minor Construction Project	689-390	Grandfathered	Mental Health Access Expansion	$9,890,000	$774,557	$0	$9,115,443
2	Buffalo	NRM project	528-10-110	Grandfathered	Environmental Improvements	$979,000	$979,000	$0	$0
2	Buffalo	NRM project	528-11-103	Grandfathered	Renovate 5B Clinics	$525,093	$50,093	$475,000	$0
2	Batavia	Minor Construction Project	528-353	Grandfathered	Ward C Privacy Renovations	$8,270,000	$897,266	$0	$7,372,734
2	Albany	Minor Construction Project	528-805	Grandfathered	Correct Physical Medicine and Rehabilitation Service Deficiencies	$4,688,390	$2,515,590	$0	$2,172,800
2	Canandaigua	NRM project	528A5-11-505SL	Grandfathered	Renovate Bathroom, B-1 - 4TH FL.& ROPC	$32,497	$32,497	$0	$0
2	Canandaigua	NRM project	528A5-11-516SL	Grandfathered	Women's Health Privacy & Security Upgrades	$47,000	$47,000	$0	$0
2	Bath	NRM project	528A6-11-629	Grandfathered	Renovate Bathrooms to Add Showers	$380,870	$38,087	$0	$342,783

VISN	Facility	Project Category	Project Number	Project Year	Project Title	Total Project Cost ($)	FY2011 Obligations ($)	FY2012 Planned Design or Construction Obligation ($)	FY2013 and Beyond Planned Obligations ($)
2	Syracuse	NRM project	528A7-11-701	Grandfathered	Renovate 7 West for Patient Ward-Design	$2,689,510	$314,510	$2,375,000	$0
2	Syracuse	NRM project	528A7-11-703	Grandfathered	Expand clinical space & reception on 2 East and 2 West	$1,156,900	$1,156,900	$0	$0
2	Albany	NRM project	528A8-11-820	Grandfathered	Basement C-wing Women's Bathroom	$198,192	$198,192	$0	$0
3	E. Orange	NRM project	561-11-101	Grandfathered	Upgrade for Patient Centered Care, Phase 1	$490,000	$490,000	$0	$0
3	East Orange	Minor Construction Project	561-340	Grandfathered	Construct New Emergency Department	$9,769,100	$449,852	$0	$9,319,248
3	Castle Point	Minor Construction Project	620-332	Grandfathered	Expand and Renovation Urgent Care Area	$9,257,500	$954,347	$0	$8,303,153
3	New York	NRM project	630-08-103	Grandfathered	ER/Admitting Area Modernization	$5,842,000	$5,842,000	$0	$0
3	New York	NRM project	630-10-105	Grandfathered	Admitting Area/ ER Expansion Phase 2	$3,380,000	$338,000	$3,042,000	$0
3	New York	NRM project	630-10-124	Grandfathered	Women Health Clinic Renovation	$375,000	$375,000	$0	$0
3	New York	NRM project	630-11-104	Grandfathered	Improve Privacy at Harlem Women's Clinic	$190,666	$190,666	$0	$0
3	New York	NRM project	630-11-108	Grandfathered	Renovate Patient Wards: 4S Medical/Surgical Ward	$6,480,900	$669,157	$0	$5,811,743
3	Brooklyn	NRM project	630A4-11-417	Grandfathered	Women's Clinic Renovation	$265,051	$265,051	$0	$0
3	Brooklyn	NRM project	630A4-11-426	Grandfathered	Renovate Patient Wards	$6,419,710	$641,971	$5,777,739	$0
3	Northport	NRM project	632-10-142	Grandfathered	Renovate Valley Stream Outpatient Clinic	$185,788	$185,788	$0	$0
4	Wilmington	NRM project	460-10-104	Grandfathered	Renovate 5 East Clinic Areas	$3,894,000	$3,894,000	$0	$0
4	Wilmington	NRM project	460-11-130	Grandfathered	Renovate 5 Ward West	$6,429,301	$445,051	$5,984,250	$0
4	Wilmington	NRM project	460-11-131	Grandfathered	Renovate 8 Ward West	$5,744,362	$244,362	$5,500,000	$0
4	Wilmington	NRM project	460-12-202	Grandfathered	Expand & Update Chemo	$150,494	$30,494	$120,000	$0
4	Butler	Minor Construction Project	529-311	Grandfathered	Replace Domiciliary Extended Stay Unit	$4,061,538	$3,174,454	$0	$0
4	Clarksburg	NRM project	540-11-101	Grandfathered	Renovate and Increase Mental Health Area 4A	$6,447,295	$447,295	$6,000,000	$0
4	Clarksburg	NRM project	540-11-106	Grandfathered	Enhance and Expand Acute Inpatient Mental Health	$4,959,566	$459,566	$4,500,000	$0
4	Coatesville	NRM project	542-10-114	Grandfathered	Improve Patient Safety & Security B-59	$2,479,000	$2,479,000	$0	$0
4	Coatesville	NRM project	542-11-123	Grandfathered	Re-Key Medical Center	$348,868	$348,868	$0	$0
4	Coatesvile	Clinical Specific Initiatives	542-CSI-201	Grandfathered	Construct Hospice Addition Bldg. 138	$4,800,000	$4,391,000	$0	$0
4	Erie	NRM project	562-10-113	Grandfathered	Renovate 7th Floor West	$1,187,925	$1,187,925	$0	$0
4	Lebanon	NRM project	595-10-105	Grandfathered	Renovate to Expand Inpatient Unit B1-2	$6,288,730	$628,873	$5,659,857	$0
4	Lebanon	NRM project	595-10-148	Grandfathered	Renovate Primary Care/Specialty Clinic Building 17	$1,750,000	$242,997	$1,507,003	$0
4	Lebanon	Minor Construction Project	595-109	Grandfathered	Behavioral Health Treatment Complex	$7,766,440	$774,380	$0	$6,992,060
4	Lebanon	Minor Construction Project	595-901	Grandfathered	Expand Behavior Health Clinic Services	$7,400,000	$7,400,000	$0	$0
4	Philadelphia	NRM project	642-10-117	Grandfathered	Install key card access	$563,050	$56,305	$0	$506,745
4	Philadelphia	NRM project	642-11-108	Grandfathered	Upgrade Women's Clinic	$1,083,758	$183,758	$900,000	$0
4	Philadelphia	NRM project	642-12-110	Grandfathered	Rekey Medical Center	$2,056,305	$56,305	$2,000,000	$0
4	Philadelphia	Clinical Specific Initiatives	642-CSI-103	Grandfathered	Expand NHCU	$1,715,000	$299,967	$0	$1,415,033
4	Philadelphia	Clinical Specific Initiatives	642-CSI-104	Grandfathered	CLC Upgrades 4 Unit C ph 1	$4,400,000	$837,107	$0	$3,562,893
4	Philadelphia	Clinical Specific Initiatives	642-CSI-105	Grandfathered	UPgrade CLC Unit C ph 2	$4,400,000	$299,967	$0	$4,100,033
4	Pittsburgh (University Drive)	NRM project	646-10-108	Grandfathered	UD, Site Prep for ICU	$2,292,000	$2,292,000	$0	$0
4	Wilkes-Barre	NRM project	693-07-125	Grandfathered	Sleep Lab Renovations	$5,397,630	$539,763	$4,857,867	$0
4	Wilkes-Barre	NRM project	693-11-121	Grandfathered	ER Expansion	$4,553,619	$553,619	$4,000,000	$0
4	Wilkes-Barre	NRM project	693-11-122	Grandfathered	Expand Existing Oncology	$4,511,018	$511,018	$4,000,000	$0
5	Baltimore	NRM project	512-11-139	Grandfathered	Installation of a Card Key Access/Physical Security Improvement	$1,330,470	$1,330,470	$0	$0
5	Baltimore	NRM project	512-11-156	Grandfathered	Upgrade Existing Patient Rooms on 3rd and 5th floors to Planetree	$608,000	$608,000	$0	$0
5	Baltimore	Minor Construction Project	512-511	Grandfathered	Managed Care/Emergency Department Improvements & Enrollment Center	$9,522,000	$833,627	$0	$8,688,373

VISN	Facility	Project Category	Project Number	Project Year	Project Title	Total Project Cost ($)	FY2011 Obligations ($)	FY2012 Planned Design or Construction Obligation ($)	FY2013 and Beyond Planned Obligations ($)
5	Perry Point	Minor Construction Project	512-519	Grandfathered	Expand OEF/OIF and Renovate Building 80 for Outpatient Mental Health	$8,000,000	$700,000	$0	$7,300,000
5	Perry Point	NRM project	512A5-11-314	Grandfathered	Emergency Mental Helath Patient Safety Improvements	$1,585,850	$1,585,850	$0	$0
5	Perry Point	NRM project	512A5-11-322	Grandfathered	Mental Health Security Hardware	$99,898	$99,898	$0	$0
5	Martinsburg	NRM project	613-09-201	Grandfathered	CLC Cultural Tranformation to Renovate 5B (Ph 1)	$65,416	$65,416	$0	$0
5	Martinsburg	NRM project	613-11-114	Grandfathered	Add Private Patient Bedroom Baths to 4A and CAT-5 Program	$341,437	$341,437	$0	$0
5	Martinsburg	NRM project	613-11-117	Grandfathered	Bldg. 213 HOPE MH Outpatient Clinic Security Enhancments	$246,434	$246,434	$0	$0
6	Beckley	Minor Construction Project	517-316	Grandfathered	Specialty/Ancillary Care Construction	$2,248,189	$200,000	$0	$2,048,189
6	Durham	NRM project	558-10-119	Grandfathered	Renovate Emergency Department	$2,440,000	$2,440,000	$0	$0
6	Durham	NRM project	558-11-115	Grandfathered	Women's Health Clinic Reconfiguration	$219,964	$219,964	$0	$0
6	Fayetteville	NRM project	565-09-101	Grandfathered	Renovate Lab for Patient Privacy	$628,543	$628,543	$0	$0
6	Fayetteville	NRM project	565-11-301	Grandfathered	Lactation Room	$110,962	$110,962	$0	$0
6	Fayetteville	NRM project	565-11-302	Grandfathered	Renovation of Private rooms on 2C for women's health	$835,901	$835,901	$0	$0
6	Fayetteville, NC	Clinical Specific Initiatives	565-CSI-111	Grandfathered	Expand Clinical Area	$2,200,000	$2,183,358	$0	$0
6	Hampton	NRM project	590-11-113	Grandfathered	Renovate and Install Mammography Equipment	$61,486	$61,486	$0	$0
6	Hampton	Clinical Specific Initiatives	590-CSI-902	Grandfathered	Expand Women's Mental Health Services and Primary Care Clinic	$3,740,000	$3,381,361	$0	$0
6	Asheville	NRM project	637-10-111	Grandfathered	Renovate Ward 1 West	$2,860,000	$2,505,000	$355,000	$0
6	Asheville	NRM project	637-10-112	Grandfathered	Renovate for Women's Health	$267,000	$267,000	$0	$0
6	Asheville	NRM project	637-11-103	Grandfathered	Renovate Emergency Dept. Phase 2	$497,269	$497,269	$0	$0
6	Asheville	NRM project	637-11-119	Grandfathered	Renovate Ward 5 East	$883,298	$343,298	$540,000	$0
6	Richmond	Minor Construction Project	652-310	Grandfathered	Mental Health Recovery Center Enhancement	$9,537,940	$899,619	$0	$8,638,321
6	Richmond	Minor Construction Project	652-311	Grandfathered	Dialysis Expansion	$9,660,188	$879,449	$0	$8,780,739
6	Salem	NRM project	658-11-103	Grandfathered	Remodel Women's Health Clinic	$205,000	$205,000	$0	$0
6	Salisbury	NRM project	659-11-272	Grandfathered	Womens Health	$84,023	$84,023	$0	$0
6	Salisbury	Minor Construction Project	659-333	Grandfathered	Long Term Care Renovation, Bldg 42, Phase II	$9,510,000	$7,938,000	$0	$1,572,000
6	Salisbury	Minor Construction Project	659-334	Grandfathered	Mental Health Renovation, Phase 3	$6,020,000	$517,239	$0	$5,502,761
6	Salisbury	Minor Construction Project	659-335	Grandfathered	Long Term Care Renovation, Phase 3	$9,080,000	$785,906	$0	$8,294,094
7	Atlanta	Minor Construction Project	508-336	Grandfathered	Primary/Urgent Care Improvements	$9,817,823	$1,094,625	$0	$8,723,198
7	Atlanta	Clinical Specific Initiatives	508-CSI-101	Grandfathered	Mental Health Clinic Addition	$4,702,064	$3,881,725	$0	$0
7	Augusta	NRM project	509-11-105	Grandfathered	Inpatient Women's Bathrooms (T-21)	$392,683	$392,683	$0	$0
7	Charleston	NRM project	534-11-930	Grandfathered	Renovate Bathrooms	$421,113	$421,113	$0	$0
7	Charleston	Minor Construction Project	534-320	Grandfathered	New Post Traumatic Stress Disorder/Mental Health Research Addition	$9,267,553	$8,492,713	$0	$0
7	Columbia, SC	Clinical Specific Initiatives	544-CSI-401	Grandfathered	Community Living Center Phase 3	$3,210,000	$2,688,000	$0	$0
7	Dublin	NRM project	557-10-102	Grandfathered	Renovate Domiciliary Building 10B	$1,459,237	$1,459,237	$0	$0
7	Dublin	NRM project	557-11-101	Grandfathered	Female Domiciliary Bathroom	$80,500	$80,500	$0	$0
7	Montgomery	NRM project	619-10-107	Grandfathered	Renovate Nursing Home Phase 2	$2,515,738	$2,515,738	$0	$0
7	Montgomery	Minor Construction Project	619-107	Grandfathered	Relocate Acute Mental Health Beds to Building 120	$8,982,624	$748,667	$0	$8,233,957
7	Tuscaloosa	NRM project	679-10-112	Grandfathered	Primary Care Clinic Upgrades, Bldg. 38	$3,108,500	$3,108,500	$0	$0
7	Tuscaloosa	Minor Construction Project	679-311	Grandfathered	Construct The Cottages, Phase II	$9,974,291	$469,545	$0	$9,504,746
8	Bay Pines	NRM project	516-11-133	Grandfathered	Privacy and EOC for Women Veterans	$145,523	$145,523	$0	$0
8	Bay Pines	NRM project	516-11-134	Grandfathered	Renovate Patient Wards B100, 3C & 4A	$7,511,202	$620,194	$6,891,008	$0
8	Bay Pines	NRM project	516-11-302	Grandfathered	Renovate Public Bathrooms B-100 (FCA=D)	$288,172	$288,172	$0	$0

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8	W. Palm Beach	NRM project	548-10-104	Grandfathered	Public Restroom Renovation	$842,126	$842,126	$0	$0
8	W. Palm Beach	NRM project	548-10-105	Grandfathered	Congregate Bath Renovation in Community Living Center	$156,582	$156,582	$0	$0
8	West Palm Beach	Minor Construction Project	548-125	Grandfathered	Mental Health Domiciliary	$9,903,242	$503,549	$0	$9,399,693
8	West Palm Beach	Clinical Specific Initiatives	548-CSI-111	Grandfathered	Hospice and Palliative Care Wing	$4,740,804	$4,288,026	$0	$0
8	Gainesville	NRM project	573-11-120	Grandfathered	Construct Psychiatric Ward at 5D (SCIP 2012)	$4,944,588	$444,588	$4,500,000	$0
8	Gainesville	NRM project	573-11-301	Grandfathered	Remodel Rooms - Women's Privacy and Dignity	$107,352	$107,352	$0	$0
8	Gainesville	NRM project	573-11-801	Grandfathered	Renovate Medicaul Intensive Care Unit (MICU)	$425,030	$425,030	$0	$0
8	Gainesville	NRM project	573-11-806	Grandfathered	Renovate GYN Clinic	$52,508	$52,508	$0	$0
8	Gainesville	Minor Construction Project	573-325	Grandfathered	Expand Intensive Care Unit	$8,500,000	$477,398	$0	$8,022,602
8	Lake City	NRM project	573A4-11-301	Grandfathered	Renovate Women's Restrooms	$78,880	$78,880	$0	$0
8	Tampa	NRM project	673-10-862	Grandfathered	Showers Building 30 D Floor	$61,217	$61,217	$0	$0
8	Tampa	NRM project	673-11-101	Grandfathered	MRI Women's Imaging	$941,150	$94,115	$847,035	$0
8	Tampa	NRM project	673-11-813	Grandfathered	Restroom Renovations	$3,454,817	$3,454,817	$0	$0
9	Huntington	NRM project	581-11-102	Grandfathered	Construct Dialysis Clinic Building 1W	$1,905,649	$201,649	$1,704,000	$0
9	Huntington	NRM project	581-11-103	Grandfathered	Renovate First Floor Building 1W for Ambulatory Care	$2,989,660	$298,966	$2,690,694	$0
9	Huntington	Clinical Specific Initiatives	581-CSI-102	Grandfathered	Renovate Bldg 7 for Women's Health	$2,916,259	$2,916,259	$0	$0
9	Louisville	Clinical Specific Initiatives	603-CSI-401	Grandfathered	Substance Abuse Relocaton & Expansion	$4,810,620	$552,284	$0	$4,258,336
9	Memphis	NRM project	614-10-102	Grandfathered	Expand Emergency Department	$4,286,588	$396,588	$3,890,000	$0
9	Memphis	NRM project	614-10-104	Grandfathered	Renovate for Women's Comprehensive Healthcare	$3,903,879	$3,903,879	$0	$0
9	Mountain Home	NRM project	621-11-128	Grandfathered	Renovate Space for Primary Care Medical Home Model, Bldg 160	$1,350,000	$1,350,000	$0	$0
9	Mountain Home	NRM project	621-11-140	Grandfathered	Renovate CLC Cultural changes Phase II	$299,785	$299,785	$0	$0
9	Mountain Home	NRM project	621-11-143	Grandfathered	Renovate Space for Women's Privacy, B-160	$69,860	$69,860	$0	$0
9	Mountain Home	Minor Construction Project	621-320	Grandfathered	Expand Emergency Room, Building 204	$3,274,000	$276,729	$0	$2,997,271
9	Mountain Home	Minor Construction Project	621-321	Grandfathered	Community Living Center, Building 162, Add Second Floor	$1,462,000	$160,327	$0	$1,301,673
9	Murfreesboro	NRM project	626A4-10-101	Grandfathered	Ambulatory Surgery Ph 3	$1,730,188	$1,730,188	$0	$0
9	Murfreesboro	NRM project	626A4-11-504	Grandfathered	Expand 7A Female Beds	$107,957	$107,957	$0	$0
10	Chillicothe	NRM project	538-10-110	Grandfathered	Renovate for Women's Clinic	$731,910	$731,910	$0	$0
10	Chillicothe	Minor Construction Project	538-107	Grandfathered	Renovate Community Living Center B-211 West	$9,801,030	$947,662	$0	$8,853,368
10	Chillicothe	Minor Construction Project	538-108	Grandfathered	Clinical Addition to Building 31	$9,822,465	$943,179	$0	$8,879,286
10	Cleveland	NRM project	541-06-1018	Grandfathered	Renovate SICU	$1,624,600	$1,624,600	$0	$0
10	Cleveland	NRM project	541-13-101	Grandfathered	Renovate Mental Health Clinic (North)	$1,887,522	$149,937	$1,737,585	$0
10	Cleveland	Minor Construction Project	541-370	Grandfathered	Emergency Department (ED) and Specialty Care Clinic Addition	$9,163,000	$810,504	$0	$8,352,496
10	Cleveland	Clinical Specific Initiatives	541-CSI-101	Grandfathered	Renovate/Expand Palliative Care Ward	$2,290,200	$1,645,000	$0	$0
10	Dayton	NRM project	552-10-249	Grandfathered	Renovate Units A & E, B-320	$3,470,000	$3,470,000	$0	$0
10	Dayton	NRM project	552-10-269	Grandfathered	FCA-Renovate Domiciliary, Building 410	$9,225,000	$9,225,000	$0	$0
10	Columbus	NRM project	757-11-110	Grandfathered	Expand Clinic Area, 2nd Floor	$474,850	$474,850	$0	$0
10	Columbus	NRM project	757-11-111	Grandfathered	Expand Clinics, 3rd Floor	$498,450	$498,450	$0	$0
11	Ann Arbor	NRM project	506-11-105	Grandfathered	Construct Clinics in Prior Infusion Area	$347,270	$66,016	$281,254	$0
11	Ann Arbor	NRM project	506-11-136	Grandfathered	Renovate CLC Ward	$430,383	$51,879	$378,504	$0
11	Battle Creek	NRM project	515-11-104	Grandfathered	Renovate Building 8 For Mental Health	$588,100	$58,810	$0	$529,290
11	Battle Creek	NRM project	515-11-109	Grandfathered	Renovate Restrooms Various Locations	$747,940	$74,794	$673,146	$0

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11	Battle Creek	Minor Construction Project	515-310	Grandfathered	Renovate NHCU For Patient Privacy	$6,269,000	$5,632,076	$0	$0
11	Battle Creek	Minor Construction Project	515-312	Grandfathered	Inpatient Mental Health Expansion B39	$9,273,318	$8,357,099	$0	$0
11	Battle Creek	Minor Construction Project	515-313	Grandfathered	Renovate Mental Health Clinic, Building 7	$8,999,000	$787,136	$0	$8,211,864
11	Danville	NRM project	550-10-101	Grandfathered	Renovate Clinic Space Building 98, Phase II	$4,449,000	$4,449,000	$0	$0
11	Danville	NRM project	550-11-108	Grandfathered	Renovate Patient Shower and Toilet Spaces Building 101	$486,760	$48,676	$438,084	$0
11	Danville	NRM project	550-11-114	Grandfathered	Female Veterans Privacy Improvements	$113,753	$48,753	$65,000	$0
11	Danville	Minor Construction Project	550-314	Grandfathered	Construct Small House Model Homes (2)	$4,018,000	$4,018,000	$0	$0
11	Indianapolis	NRM project	583-10-170	Grandfathered	Construct Womens Imaging Suite	$317,138	$317,138	$0	$0
11	Indianapolis	NRM project	583-11-103	Grandfathered	Renovate Intensive Care Unit for Privacy	$289,238	$289,238	$0	$0
11	Indianapolis	NRM project	583-11-108	Grandfathered	Construct Womens Health Center	$127,951	$127,951	$0	$0
11	Saginaw	NRM project	655-11-102	Grandfathered	Renovate Toilet Rooms Building 1, 2, 3, 4	$2,540,144	$224,639	$2,315,505	$0
12	Jesse Brown	NRM project	537-07-135	Grandfathered	Relocate and Expand Outpatient Dialysis	$1,056,027	$1,056,027	$0	$0
12	Jesse Brown	NRM project	537-10-955	Grandfathered	Convert Eye Clinic Suite 5324 to Exam Rooms	$68,863	$68,863	$0	$0
12	Jesse Brown	NRM project	537-11-137	Grandfathered	Remodel Toilet on 10 th Floor	$24,820	$24,820	$0	$0
12	Chicago - Jesse Brown	Minor Construction Project	537-318	Grandfathered	Expand Outpatient Speciality Clinics	$5,380,000	$1,224,739	$0	$4,155,261
12	Chicago - Jesse Brown	Minor Construction Project	537-320	Grandfathered	Expand Outpatient Clinics, Bldg.30-2nd Floor Addition	$9,894,000	$801,049	$0	$9,092,951
12	North Chicago	NRM project	556-11-112	Grandfathered	Building 133EF Mental Health Area Safety Concerns	$26,124	$26,124	$0	$0
12	North Chicago	NRM project	556-11-125	Grandfathered	Women's Restroom Renovations, Bldgs 7, 11 & 66	$159,277	$159,277	$0	$0
12	Hines	NRM project	578-10-080	Grandfathered	Renovate for Hospice, Bldg. 217	$474,838	$474,838	$0	$0
12	Hines	NRM project	578-11-056	Grandfathered	Upgrade Patient Rooms, Bldg 200, 15th Floor	$83,278	$83,278	$0	$0
12	Hines	NRM project	578-11-062	Grandfathered	Correcting Women Veteran Infrastructure Deficiencies, B217	$80,891	$80,891	$0	$0
12	Hines	NRM project	578-11-099	Grandfathered	Additional Work for Women's Health Center	$176,477	$176,477	$0	$0
12	Hines	NRM project	578-11-148	Grandfathered	Renovate Congregate Bath in Hospice Wing	$500,000	$30,800	$469,200	$0
12	Iron Mountain	NRM project	585-10-105	Grandfathered	Renovate Outpatient Clinic	$1,326,577	$1,326,577	$0	$0
12	Iron Mountain	NRM project	585-11-101	Grandfathered	Relocate Emergency Department	$1,473,627	$1,473,627	$0	$0
12	Madison	NRM project	607-09-122	Grandfathered	Renovate Clinical Space	$2,930,000	$2,930,000	$0	$0
12	Madison	NRM project	607-11-140	Grandfathered	Women's Health Improvements	$136,977	$136,977	$0	$0
12	Madison	Minor Construction Project	607-394	Grandfathered	Consolidate Intensive Care Units	$9,830,000	$888,711	$0	$8,941,289
12	Tomah	NRM project	676-10-132	Grandfathered	Rebuild Greenhouse	$347,000	$347,000	$0	$0
12	Tomah	NRM project	676-10-140	Grandfathered	Renovate 2nd & 3rd Floors Building 401	$8,666,000	$8,666,000	$0	$0
12	Tomah	NRM project	676-11-033	Grandfathered	Modifications to Building 400 1st Floor	$89,600	$89,600	$0	$0
12	Tomah	NRM project	676-11-063	Grandfathered	Construct Women's Health Suite	$27,500	$27,500	$0	$0
12	Milwaukee	NRM project	695-10-191	Grandfathered	Building 109 - Women's Health	$693,125	$693,125	$0	$0
12	Milwaukee	NRM project	695-11-101	Grandfathered	Rekey MH, Phase 1	$17,958	$17,958	$0	$0
12	Milwaukee	NRM project	695-11-102	Grandfathered	Rekey MH, Phase 2	$32,596	$32,596	$0	$0
12	Milwaukee	NRM project	695-11-140	Grandfathered	Upgrade Public Restrooms	$470,437	$470,437	$0	$0
12	Milwaukee	Minor Construction Project	695-223	Grandfathered	Modernize Acute Care Ward 6C-5CN	$6,715,810	$6,572,284	$0	$0
12	Milwaukee	Minor Construction Project	695-315	Grandfathered	Expand Primary Care/Specialty Clinic Consolidate Kitchen	$9,987,500	$8,717,000	$0	$0
12	Milwaukee	Clinical Specific Initiatives	695-CSI-314	Grandfathered	Construct Community Living Center (2)	$4,968,887	$4,930,000	$0	$0
15	Kansas City	NRM project	589-11-1796	Grandfathered	T-21 Improve Womens Health Restrooms	$187,942	$187,942	$0	$0
15	Columbia, MO	Minor Construction Project	589-330	Grandfathered	Relocate Intensive Care Unit	$9,036,000	$945,407	$0	$8,090,593
15	Wichita	Minor Construction Project	589-339	Grandfathered	Expand Primary Care	$8,810,248	$759,482	$0	$8,050,766
15	Kansas City	Minor Construction Project	589-369	Grandfathered	Emergency Room Expansion	$6,945,000	$5,659,146	$0	$0

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15	Kansas City	Minor Construction Project	589-375	Grandfathered	Transitional Nursing Home Care Unit (TNHCU)	$9,073,869	$534,114	$0	$8,539,755
15	Leavenworth	Minor Construction Project	589-380	Grandfathered	Nursing Home Care Unit Relocation	$9,962,000	$810,971	$9,151,029	$0
15	Topeka	Minor Construction Project	589-381	Grandfathered	Community Living Center	$9,526,158	$1,001,158	$8,525,000	$0
15	Columbia	NRM project	589A4-11-117	Grandfathered	Remodel Community Living Center Bathrooms-3 East	$397,601	$397,601	$0	$0
15	Topeka	NRM project	589A5-11-118	Grandfathered	T21 Renovate Clinic Check Ins / Restrooms	$231,247	$231,247	$0	$0
15	Leavenworth	NRM project	589A6-11-115	Grandfathered	T21 Expand Examination Rooms On Ward A5	$425,161	$425,161	$0	$0
15	Leavenworth	NRM project	589A6-11-116	Grandfathered	T21 Renovate Bathrooms	$909,710	$909,710	$0	$0
15	St. Louis	NRM project	657-10-135JB	Grandfathered	MH - Renovate Wards 51N2 & 51W Building 51 for Suicide Prevention	$882,062	$882,062	$0	$0
15	St. Louis	NRM project	657-11-151JB	Grandfathered	FCA Renovate Ward 52S1, Building 52	$1,663,612	$63,612	$1,600,000	$0
15	St. Louis	NRM project	657-11-200JC	Grandfathered	T21 - Address Women's Health/Privacy Issues	$151,587	$151,587	$0	$0
15	Marion	NRM project	657A5-11-060	Grandfathered	Modify Community Based Outpatient Clinics for Women's Privacy	$67,823	$67,823	$0	$0
15	Marion	NRM project	657A5-11-106	Grandfathered	FCA - Renovate Isolation Room	$711,300	$71,130	$0	$640,170
15	Marion	NRM project	657A5-11-114	Grandfathered	T21 - Primary Care Expansion for Womens Health Clinic	$143,627	$143,627	$0	$0
16	Alexandria	NRM project	502-10-114	Grandfathered	Primary Care for Mental Health, B-9	$89,787	$89,787	$0	$0
16	Alexandria	NRM project	502-11-124	Grandfathered	Refurbish Ward 45A B Wing	$62,723	$62,723	$0	$0
16	Alexandria	NRM project	502-11-302	Grandfathered	Refurbish Ward 45A, A- and C-Wings	$170,689	$170,689	$0	$0
16	Alexandria	Minor Construction Project	502-304	Grandfathered	Expand Building 7 For Primary, Specialty, Mental Health and Emergency Department	$8,522,698	$6,479,000	$0	$0
16	Biloxi	NRM project	520-09-131	Grandfathered	Upgrade Public Restrooms, 1st floor, Bldg 3	$41,120	$41,120	$0	$0
16	Biloxi	NRM project	520-09-132	Grandfathered	Upgrade Public Restrooms, Upper floors, Bldg 1	$127,000	$127,000	$0	$0
16	Fayetteville	NRM project	564-10-102	Grandfathered	Construct Connection from Clinical Addition to Patient Dining B-2	$253,765	$28,765	$225,000	$0
16	Fayetteville	NRM project	564-10-106	Grandfathered	Renovate Specialty Clinic for Palliative Care	$1,470,000	$1,470,000	$0	$0
16	Houston	NRM project	580-10-112	Grandfathered	Expand Radiation Therapy	$428,250	$428,250	$0	$0
16	Houston	NRM project	580-11-116	Grandfathered	Install Door Alarms on Mental Patient Rooms	$155,000	$155,000	$0	$0
16	Houston	NRM project	580-11-403	Grandfathered	Add 3 Beds in GI Recovery NU 5H	$38,264	$38,264	$0	$0
16	Houston	NRM project	580-11-404	Grandfathered	Add 2 Beds in MICU 3rd Floor	$119,799	$119,799	$0	$0
16	Houston	NRM project	580-11-410	Grandfathered	Renovate Outpatient Clinics B-100	$171,984	$171,984	$0	$0
16	Houston	NRM project	580-11-520	Grandfathered	Renovate PC clinic space in B-100	$298,390	$298,390	$0	$0
16	Houston	NRM project	580-11-560	Grandfathered	Renovate 2000 SF in Beaumont CBOC	$186,746	$186,746	$0	$0
16	Jackson	NRM project	586-09-112	Grandfathered	Renovate 1st Floor, C-Section for New Women's Clinic	$1,616,679	$116,679	$1,500,000	$0
16	Jackson	NRM project	586-09-113	Grandfathered	Renovate 2C for Outpatient Specialty Clinics-Phase 1	$4,020,848	$4,020,848	$0	$0
16	Jackson	NRM project	586-11-201	Grandfathered	Renovate for Patient Aligned Care Team Improvements	$536,883	$536,883	$0	$0
16	Little Rock	NRM project	598-10-302	Grandfathered	Provide Primary Care Expansion Into 3B	$4,300,000	$4,300,000	$0	$0
16	Little Rock	NRM project	598-11-221	Grandfathered	Modifications to Primary Care Clinic for PACT Program	$131,704	$131,704	$0	$0
16	Little Rock	Minor Construction Project	598-382	Grandfathered	Construct New Substance Abuse Building	$9,924,000	$697,913	$0	$9,226,087
16	Muskogee	NRM project	623-10-020	Grandfathered	TOPC Patient Aligned Care Team	$792,153	$792,153	$0	$0
16	New Orleans	NRM project	629-10-120	Grandfathered	Renovate Baton Rouge Essen Clinic to all Primary Care Expansion	$1,252,900	$1,252,900	$0	$0
16	New Orleans	NRM project	629-10-121	Grandfathered	Renovate Hammond CBOC for Primary Care Expansion	$591,683	$591,683	$0	$0

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16	Oklahoma City	Minor Construction Project	635-407	Grandfathered	Mental Health Expansion	$8,701,000	$770,000	$7,931,000	$0
16	Oklahoma City	Minor Construction Project	635-408	Grandfathered	1st and 2nd Floor Clinic Expansion	$8,218,000	$633,495	$0	$7,584,505
17	Dallas	NRM project	549-07-103ES	Grandfathered	Polytrauma Renovations	$2,207,500	$2,207,500	$0	$0
17	Dallas	NRM project	549-09-904	Grandfathered	Building 2 Ward Renovation for Patient Privacy	$1,331,041	$1,331,041	$0	$0
17	Dallas	NRM project	549-11-906	Grandfathered	Renovate 7B Patient Privacy	$2,130,958	$130,958	$2,000,000	$0
18	Albuquerque	NRM project	501-11-109	Grandfathered	Enhance Inpatient Environments, Building 41	$590,698	$0	$0	$590,698
18	Albuquerque	Minor Construction Project	501-318	Grandfathered	Acute Geriatric Psychiatry Unit	$5,648,859	$5,648,859	$0	$0
18	Albuquerque	Minor Construction Project	501-324	Grandfathered	Medical and Surgical Intensive Care Unit Consolidation	$9,054,000	$710,234	$0	$8,343,766
18	Albuquerque	Clinical Specific Initiatives	501-CSI-102	Grandfathered	New Mental Health Space	$1,740,000	$989,499	$0	$0
18	Big Spring	NRM project	519-11-201	Grandfathered	Renovate Restrooms- Phase I	$543,850	$54,385	$0	$489,465
18	Prescott	NRM project	649-12-103	Grandfathered	Cultural Transformation of Community Living Center (Finishes/Signage)	$446,478	$41,478	$405,000	$0
18	Prescott	Minor Construction Project	649-407	Grandfathered	Renovate/Expand Emergency Department	$4,377,745	$3,718,400	$0	$0
18	Tucson	Minor Construction Project	678-319	Grandfathered	Mental Health Expansion	$7,465,000	$5,075,000	$0	$0
18	Tucson	Clinical Specific Initiatives	678-CSI-105	Grandfathered	Clinical Support Building	$510,000	$495,698	$0	$0
19	Denver	NRM project	554-11-103	Grandfathered	Renovate Inpatient Mental Health	$589,550	$589,550	$0	$0
19	Denver	NRM project	554-11-807	Grandfathered	CLC Restroom Remodel	$22,542	$22,542	$0	$0
19	Grand Junction	NRM project	575-10-110	Grandfathered	Renovate OPA for PCMH Program	$785,563	$785,563	$0	$0
20	Boise	NRM project	531-11-115	Grandfathered	Womens Health Clinic	$77,418	$77,418	$0	$0
20	Boise	Minor Construction Project	531-320	Grandfathered	Intensive Care Unit 3rd Floor Building 67	$9,915,716	$860,173	$0	$9,055,543
20	Boise	Clinical Specific Initiatives	531-CSI-102	Grandfathered	Residential Mental Health Facility	$4,074,160	$390,755	$3,683,405	$0
20	Portland	NRM project	648-11-146	Grandfathered	Create Womens Clinic Phase 2	$132,451	$132,451	$0	$0
20	Portland	NRM project	648-11-147	Grandfathered	Renovate 8C Waiting Area	$149,486	$149,486	$0	$0
20	Roseburg	NRM project	653-10-529	Grandfathered	Patient Centered Care Renovations	$314,182	$314,182	$0	$0
20	Roseburg	Minor Construction Project	653-325	Grandfathered	New Mental Health Substance Abuse Residential Rehabilitation Treatment Program Building	$9,991,098	$971,526	$0	$9,019,572
20	Seattle	NRM project	663-09-121	Grandfathered	Remodel Outpatient Pharmacy for Patient Privacy and Security	$276,000	$276,000	$0	$0
20	Seattle	NRM project	663-11-009	Grandfathered	Relocate Primary Care Providers to B1 4th Floor	$27,862	$27,862	$0	$0
20	Seattle	NRM project	663-11-015	Grandfathered	ENT Clinic Remodel	$43,972	$43,972	$0	$0
20	Seattle	Minor Construction Project	663-376	Grandfathered	Expand Specialty Clinics at Seattle	$9,343,656	$876,704	$0	$8,466,952
20	American Lake	NRM project	663A4-11-012	Grandfathered	Building 7 and Building 2 Domiciliary	$59,513	$59,513	$0	$0
20	American Lake	NRM project	663A4-11-017	Grandfathered	Women's Clinic Soiled Utility Rooms	$27,461	$27,461	$0	$0
20	Spokane	NRM project	668-08-110	Grandfathered	Renovate Third Floor North	$1,195,829	$1,195,829	$0	$0
20	Spokane	NRM project	668-11-113	Grandfathered	Correct Adult Psych Unit Deficiencies	$358,418	$358,418	$0	$0
20	Spokane	NRM project	668-11-118	Grandfathered	Primary Care Exam Room Reconfiguration	$96,695	$96,695	$0	$0
20	Walla Walla	NRM project	687-11-001	Grandfathered	Yakima CBOC Renovation	$116,659	$116,659	$0	$0
20	Walla Walla	NRM project	687-11-002	Grandfathered	Renovate Richland CBOC	$129,834	$129,834	$0	$0
20	Walla Walla	Minor Construction Project	687-301	Grandfathered	Construct Specialty Clinic Care Facility	$8,378,063	$7,009,194	$0	$0
20	White City	Minor Construction Project	692-337	Grandfathered	Replace Dom Bed B205	$9,960,000	$7,757,713	$0	$0
21	Fresno	NRM project	570-11-109	Grandfathered	Remodel Temporary Emergency Department for Hemotology-Oncology	$120,490	$120,490	$0	$0
21	Fresno	NRM project	570-11-126	Grandfathered	Renovate Women Veteran Waiting Areas at CBOC's	$372,098	$372,098	$0	$0
21	Fresno	NRM project	570-11-127	Grandfathered	Additional Women's Health Exam Rooms for Primary Care	$229,290	$229,290	$0	$0

VISN	Facility	Project Category	Project Number	Project Year	Project Title	Total Project Cost ($)	FY2011 Obligations ($)	FY2012 Planned Design or Construction Obligation ($)	FY2013 and Beyond Planned Obligations ($)
21	Fresno	Minor Construction Project	570-217	Grandfathered	Mental Health Psychosocial Rehab Recovery and Health Care for Homeless Veterans Center	$9,601,511	$952,228	$0	$8,649,283
21	Sacramento	Minor Construction Project	612-003	Grandfathered	Consolidated Outpatient Surgical Specialty	$9,986,000	$8,172,162	$0	$0
21	Martinez	NRM project	612-11-142	Grandfathered	Women's Health Privacy and Security	$103,621	$103,621	$0	$0
21	Martinez	NRM project	612-11-162	Grandfathered	Construct Bathrooms, Mare Island	$43,008	$43,008	$0	$0
21	Sacramento	Clinical Specific Initiatives	612A4-CSI-103	Grandfathered	Women's Health Relocation for OEF/OIF Veterans	$2,665,373	$1,489,531	$1,175,842	$0
21	Palo Alto	NRM project	640-11-148P	Grandfathered	Renovate for Extended Care, Building 100	$1,143,213	$1,143,213	$0	$0
21	Palo Alto	Minor Construction Project	640-378	Grandfathered	Building 2 Seismic Correction - Outpatient Mental Health Center	$9,487,918	$8,260,336	$0	$0
21	Reno	NRM project	654-11-210	Grandfathered	Relocate PATPU	$519,691	$519,691	$0	$0
21	Reno	NRM project	654-11-219	Grandfathered	Hardware 5c Upgrade	$63,451	$63,451	$0	$0
21	San Francisco	NRM project	662-11-005	Grandfathered	Intensive Care Unit (ICU) Corrections	$479,300	$479,300	$0	$0
21	San Francisco	NRM project	662-11-006	Grandfathered	Interventional GI Suite Renovation	$328,487	$328,487	$0	$0
21	San Francisco	NRM project	662-11-007	Grandfathered	Correct PICU Aesthetic Deficiencies	$289,049	$289,049	$0	$0
21	San Francisco	NRM project	662-11-104	Grandfathered	Women's Clinic Renovations	$299,159	$299,159	$0	$0
21	San Francisco	NRM project	662-11-105	Grandfathered	Bldg 203, 1A Ward Elder Care Renovations	$582,974	$582,974	$0	$0
21	San Francisco	NRM project	662-11-177	Grandfathered	Oncology Renovation	$443,902	$443,902	$0	$0
21	San Francisco	NRM project	662-11-203	Grandfathered	Correct Women Shower Privacy Issues at the PICU	$80,061	$80,061	$0	$0
21	San Francisco	NRM project	662-11-207	Grandfathered	Renovate for Patient Care	$198,933	$198,933	$0	$0
22	Long Beach	NRM project	600-11-160	Grandfathered	Renovate Personal Care Area	$400,000	$400,000	$0	$0
22	Loma Linda	NRM project	605-11-781	Grandfathered	Privacy Corrections in Inpatient Wards	$2,942,630	$294,263	$0	$2,648,367
22	San Diego	NRM project	664-09-105	Grandfathered	Renovate Dental to Ambulatory Care & Police	$3,090,150	$3,090,150	$0	$0
22	West Los Angeles	NRM project	691-09-110WL	Grandfathered	Correct Building 500 Restroom Deficiencies / Root Cause Analysis Falls	$489,000	$489,000	$0	$0
22	West Los Angeles	NRM project	691-11-129WL	Grandfathered	Renovate Building 500 Sub-Specialty Clinics	$4,410,540	$441,054	$0	$3,969,486
22	West Los Angeles	NRM project	691-11-130WL	Grandfathered	Renovate Building 304 Second Floor	$3,751,060	$375,106	$0	$3,375,954
22	West Los Angeles	NRM project	691-11-140WL	Grandfathered	Renovate Bathrooms for Women's Clinic in B500	$137,742	$137,742	$0	$0
22	West Los Angeles	NRM project	691-11-901WL	Grandfathered	Renovate Patient Centered Care Areas, Phase 1	$393,804	$393,804	$0	$0
22	West Los Angeles	NRM project	691-11-903WL	Grandfathered	Renovate Patient Centered Care Areas, Phase 2	$98,291	$98,291	$0	$0
23	Fargo	NRM project	437-11-101	Grandfathered	Remodel ICU and Dialysis	$3,216,790	$321,679	$0	$2,895,111
23	Fargo	NRM project	437-11-120	Grandfathered	Remodel PT/OT & Prosthetics	$464,392	$464,392	$0	$0
23	Fargo	NRM project	437-11-130	Grandfathered	Environmental Enhancments for Female Veterans	$247,127	$247,127	$0	$0
23	Sioux Falls	NRM project	438-11-107	Grandfathered	Modify Aberdeen CBOC	$34,748	$34,748	$0	$0
23	Sioux Falls	NRM project	438-11-117	Grandfathered	Women's Health Initiative Primary Care	$177,000	$177,000	$0	$0
23	Fort Meade	NRM project	568-11-114	Grandfathered	Upgrade Bldg. 113 Public Restrooms	$76,740	$76,740	$0	$0
23	Fort Meade	NRM project	568-11-121	Grandfathered	Quarters 144 Women Veterans Hoptel Conversion	$346,133	$346,133	$0	$0
23	Hot Springs	NRM project	568A4-11-209	Grandfathered	Female Veterans Quarters Improvements	$105,332	$105,332	$0	$0
23	Minneapolis	NRM project	618-11-100	Grandfathered	Expand and Renovate Gastrointestinal Procedure Unit	$2,383,209	$2,383,209	$0	$0
23	Minneapolis	NRM project	618-11-102	Grandfathered	Women's Clinic Improvement for Rochester CBOC	$19,199	$19,199	$0	$0

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23	Minneapolis	NRM project	618-11-117	Grandfathered	Renovate Dental Clinic	$433,000	$433,000	$0	$0
23	Minneapolis	NRM project	618-11-124	Grandfathered	Expand Blood Draw Room	$289,612	$289,612	$0	$0
23	Minneapolis	NRM project	618-11-160	Grandfathered	Women's Clinic Improvements	$43,408	$43,408	$0	$0
23	Omaha	NRM project	636-11-107	Grandfathered	Psychiatric Ward Enhancement OM	$499,257	$499,257	$0	$0
23	Omaha	NRM project	636-11-109	Grandfathered	Improve Environment for Female Veterans	$387,537	$387,537	$0	$0
23	Des Moines	Minor Construction Project	636-345	Grandfathered	Ward 3B Expansion & Renovation	$5,295,500	$862,266	$0	$4,433,234
23	Des Moines	NRM project	636A6-10-711	Grandfathered	Wander Garden Construction	$245,039	$245,039	$0	$0
23	Iowa City	NRM project	636A8-11-001	Grandfathered	Renovation of 5E and 4E	$4,249,950	$424,995	$0	$3,824,955
23	Iowa City	NRM project	636A8-11-005	Grandfathered	Renovate 8 East for Endoscopy & Cardiology	$2,684,420	$268,442	$0	$2,415,978
23	Iowa City	NRM project	636A8-11-012	Grandfathered	6 West Women's Health Clinic	$131,390	$131,390	$0	$0
23	Iowa City	NRM project	636A8-11-013	Grandfathered	Renovate Restrooms for ADA & Female Privacy	$483,423	$483,423	$0	$0
23	St. Cloud	NRM project	656-11-201	Grandfathered	Upgrade Women's Clinic, Bldg. 29	$143,369	$143,369	$0	$0
23	St. Cloud	Minor Construction Project	656-317	Grandfathered	Expand & Renovate Wards Building 49, 1st and 2nd Floors	$9,478,780	$8,303,980	$0	$0
					Privacy (excluding Specific Women's Projects) Sub-totals	**$850,336,055**	**$353,126,340**	**$137,787,437**	**$337,598,422**
					Specific Women's Projects Sub-totals	**$33,748,301**	**$22,849,668**	**$7,443,877**	**$0**
FY2012 and FY2013/Beyond Planned Obligations									
1	Bedford	NRM Project	518-12-108	Grandfathered	Renovate CLC Building 62	$4,800,000	$0	$4,800,000	$0
1	Manchester	Minor Construction	608-313	FY2012 Constructior	Mental Health Addition & Improvements	$5,713,000	$0	$5,225,000	$0
1	Manchester	NRM Project	VHA1-608-2013-	FY2013 Design	Women's Clinic Upgrades	$1,900,000	$0	$0	$1,900,000
1	Newington	Minor Construction	VHA1-689A4-201	FY2013 Design	Expand Primary Care Clinic	$9,850,000	$0	$0	$9,850,000
1	Northampton	Minor Construction	631-110	FY2012 Design	Northampton Permanent Support Housing	$6,300,000	$0	$6,300,000	$0
1	Northampton	NRM Project	631-11-021	Grandfathered	Renovate Cherry Street PRRTP	$450,000	$0	$450,000	$0
1	Providence	NRM Project	650-10-118	Grandfathered	Renovate Wing 3A for Clinical Space	$3,632,000	$0	$3,632,000	$0
1	Providence	NRM Project	650-11-106	Grandfathered	Relocate Respiratory Service to 4B & Convert Space	$500,000	$0	$500,000	$0
1	Providence	NRM Project	VHA1-650-2013-	FY2013 Design	Renovate Mental Health Outpatient Services Wing 3B	$4,300,000	$0	$0	$4,300,000
1	Providence	NRM Project	VHA1-650-2013-	FY2013 Design	Renovate Wing 5A for Improved Clinic Space	$4,448,000	$0	$0	$4,448,000
1	Togus	NRM Project	402-13-552	Grandfathered	Relocate Mental Health B206	$200,000	$0	$200,000	$0
1	West Haven	NRM Project	689-11-506	Grandfathered	Primary Care Realignment-Building 2 North	$850,000	$0	$850,000	$0
1	West Haven	Minor Construction	689-375	GF Constructs	ICU Step Down Expansion	$6,689,000	$0	$6,018,000	$0
1	West Haven	Minor Construction	689-376	GF Constructs	Surgical Specialty Clinics Renovation	$6,285,000	$0	$5,798,000	$0
1	West Haven	Minor Construction	689-387	GF Constructs	Surgical Specialty Clinic Addition	$8,020,000	$0	$7,008,000	$0
1	West Roxbury	NRM Project	523A4-08-101	Grandfathered	OEF/OIF Ambulatory Care Upgrades	$468,000	$0	$468,000	$0
1	West Roxbury	NRM Project	523A4-12-201	FY2012 Design	Ward Renovation Patient Privacy	$4,400,000	$0	$440,000	$3,960,000
2	Albany	Minor Construction	528-809	GF Constructs	New Emergency Department	$7,785,000	$0	$7,130,000	$0
2	Batavia	Minor Construction	528-352	FY2012 Constructior	Ward B Privacy Renovations	$4,054,000	$0	$3,638,000	$0
2	Batavia	NRM Project	VHA2-528A4-201	FY2013 Design	Renovate C ward	$5,500,000	$0	$0	$5,500,000
2	Bath	NRM Project	528A6-11-612	Grandfathered	Upgrade Toilet Rooms, Building 92	$40,000	$0	$40,000	$0
2	Buffalo	NRM Project	528-11-101	Grandfathered	Renovate Physical Therapy	$2,100,000	$0	$2,100,000	$0
2	Buffalo	NRM Project	528-12-100	FY2012 Design	Renovate Ward 9C	$450,000	$0	$45,000	$405,000
2	Buffalo	NRM Project	VHA2-528-2013-	FY2013 Design	Renovate 9th floor patient Ward 2	$4,838,850	$0	$0	$4,838,850
2	Canandaigua	NRM Project	528A5-12-504	Grandfathered	Renovate B1 Specialty Clinics 3rd Floor	$812,700	$0	$812,700	$0
2	Syracuse	NRM Project	528A7-12-702	Grandfathered	ICU 6 East Renovation	$310,000	$0	$310,000	$0
2	Syracuse	NRM Project	528A7-12-703	Grandfathered	Renovate for Comp & Pen / Women's Clinic	$230,000	$0	$230,000	$0
2	Syracuse	NRM Project	528A7-12-718	Grandfathered	CLC Patient Bathroom Modifications	$65,000	$0	$65,000	$0
3	Bronx	NRM Project	526-11-103	Grandfathered	Renovate Women's Health & Admin Med	$1,042,500	$0	$1,042,500	$0
3	Brooklyn	NRM Project	630A4-10-401	Grandfathered	12W/15W Ward Renovation	$3,200,000	$0	$3,200,000	$0

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3	Brooklyn	NRM Project	VHA3-630A4-201	FY2013 Design	Renovate Womens Health Clinic	$2,700,000	$0	$0	$2,700,000
3	Brooklyn	NRM Project	VHA3-630A4-201	FY2013 Design	Improve Radiology Patient Privacy	$2,100,000	$0	$0	$2,100,000
3	Lyons	Minor Construction	561-235	GF Constructs	Renovation Community Living Center	$6,831,000	$0	$6,256,000	$0
3	Lyons	NRM Project	561A4-08-119	Grandfathered	Correct Psych Unit Deficiencies - Nurses Call	$300,000	$0	$300,000	$0
3	Montrose	NRM Project	620-09-202	Grandfathered	Renovation to Community Living Centers	$4,950,000	$0	$4,950,000	$0
3	Montrose	Minor Construction	VHA3-620-2013-	FY2013 Design	Expand Outpatient Services building 3	$7,000,000	$0	$0	$7,000,000
3	New York City	NRM Project	630-09-113	Grandfathered	Clinical Improvements/4W Step Down Unit	$2,500,000	$0	$2,500,000	$0
3	New York City	NRM Project	VHA3-630-2013-	FY2013 Design	Renovate 4 North ward/ Ambulatory Surgery	$5,500,000	$0	$0	$5,500,000
3	Northport	NRM Project	VHA3-632-2013-	FY2013 Design	Renovate Post Traumatic Stress Disorder Residence	$7,403,000	$0	$0	$7,403,000
3	Northport	Minor Construction	VHA3-632-2013-	FY2013 Design	Renovate Emergency Room	$9,900,000	$0	$0	$9,900,000
3	St. Albans	NRM Project	630A4-10-402	Grandfathered	Renovate Rehab Medicine	$2,200,000	$0	$2,200,000	$0
3	St. Albans	NRM Project	VHA3-630A5-201	FY2013 Design	Renovate Ward C1	$2,100,000	$0	$0	$2,100,000
4	Altoona, PA	Minor Construction	503-307	FY2012 Design	Expand & Improve Behavioral Health Clinic	$9,794,285	$0	$820,000	$8,974,285
4	Butler	Minor Construction	529-312	FY2012 Constructior	Dementia Long Term Care Unit Replacement	$7,000,000	$0	$6,420,000	$0
4	Clarksburg	Minor Construction	VHA4-540-2013-	FY2013 Design	Improve Ambulatory Care Support & Physical Security	$9,150,000	$0	$0	$9,150,000
4	Clarksburg	Minor Construction	VHA4-540-2013-	FY2013 Design	Construct Behavioral Health Villas	$5,000,000	$0	$0	$5,000,000
4	Coatesville	NRM Project	542-09-120	FY2012 Design	Building 3, Phase II, Construct Imaging Suite & Outpatient Services	$7,500,000	$0	$750,000	$6,750,000
4	Erie	NRM Project	562-08-110	Grandfathered	Renovate Behavioral Health	$500,000	$0	$500,000	$0
4	Erie	Minor Construction	562-313	FY2012 Constructior	Expand Behavioral Health	$6,000,000	$0	$5,625,000	$0
4	Erie, PA	Minor Construction	562-314	FY2012 Design	Replace Community Living Center	$9,556,837	$0	$956,000	$8,600,837
4	Lebanon	NRM Project	595-10-107	Grandfathered	Renovate to Expand Oncology/Dialysis	$1,750,000	$0	$1,750,000	$0
4	Lebanon	Minor Construction	VHA4-595-2013-'	FY2013 Design	Construct Intensive CareUnit/Medical/Surgical Unit	$9,900,000	$0	$0	$9,900,000
4	Philadelphia	Minor Construction	VHA4-642-2013-	FY2013 Design	Upgrade Community Living Center - Addition for New Recreation Center	$7,785,000	$0	$0	$7,785,000
4	Philadelphia	NRM Project	VHA4-642-2013-	FY2013 Design	Renovate Primary Care Clinic - Patient Aligned Care Team (PACT)	$1,947,000	$0	$0	$1,947,000
4	Philadelphia	NRM Project	642-11-131	Grandfathered	Upgrade Patient Areas Unit C	$3,100,000	$0	$3,100,000	$0
4	Philadelphia	NRM Project	642-11-151	Grandfathered	Upgrade Toilets 1st Floor	$200,000	$0	$200,000	$0
4	Wilkes-Barre	NRM Project	693-09-129	Grandfathered	Renovate Wound Care Clinic	$4,300,000	$0	$4,300,000	$0
4	Wilkes-Barre, PA	Minor Construction	693-1102	FY2012 Design	Build Community Living Center, Phase 1	$9,722,000	$0	$972,000	$8,750,000
5	Baltimore	NRM Project	VHA5-512-2013-	FY2013 Design	Convert Semi Private Beds to Private 3A	$3,000,000	$0	$0	$3,000,000
5	Martinsburg	NRM Project	613-12-101	FY2012 Design	Renovate Mental Health Domiciliary Bldg. 502, E Pod, Phase 1	$3,685,000	$0	$368,500	$3,316,500
5	Martinsburg	NRM Project	613-12-201	FY2012 Design	CLC Cultural Tranformation to Renovate 5A (Ph. 2)	$4,307,000	$0	$430,700	$3,876,300
5	Martinsburg	NRM Project	613-12-203	FY2012 Design	Renovate 200 Row for Mental Health Domicilliary, Phase 2	$4,607,000	$0	$460,700	$4,146,300
5	Martinsburg, WV	Minor Construction	613-115	FY2012 Design	Build Women's Wellness Center	$7,497,550	$0	$799,000	$6,698,550
5	Perry Point	Minor Construction	512-531	GF Designs	36-Bed Psychiatric Residential Rehabilitation Treatment Program Replacement, Phase 2	$7,777,000	$0	$661,000	$7,116,000
5	VAMHCS	Minor Construction	512-523	FY2012 Constructior	Construct New Substance Abuse Residential Rehab Treatment Program Beds	$8,562,000	$0	$7,892,000	$0
5	Washington	Minor Construction	688-327	GF Constructs	Mental Health Domiciliary	$6,500,000	$0	$5,463,000	$0
5	Washington	Minor Construction	688-333	GF Constructs	Comprehensive Nursing Rehabilitation Center 3rd Floor Expansion	$9,839,000	$0	$9,039,000	$0
5	Washington	Minor Construction	688-336	FY2012 Constructior	4E Patient Ward Renovation/Expansion	$7,253,000	$0	$6,622,000	$0

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5	Washington	Minor Construction	688-342	GF Designs	Comprehensive Nursing Rehabilitation Center Addition for Blind Rehab & OEF/OIF Transitional Rehab	$7,050,000	$0	$750,000	$6,300,000
5	Washington	NRM Project	688-11-007	FY2012 Design	Renovate Restrooms Phase I	$2,770,000	$0	$277,000	$2,493,000
6	Asheville	NRM Project	637-10-114	Grandfathered	Renovate 5 South for Mental Health	$450,000	$0	$450,000	$0
6	Asheville	NRM Project	VHA6-637-2013-I	FY2013 Design	Renovate Ward 5-East	$4,142,000	$0	$0	$4,142,000
6	Beckley	Minor Construction	517-314	FY2012 Constructior	Patient Care Expansion	$4,750,000	$0	$4,228,000	$0
6	Durham	Minor Construction	VHA6-558-2013-	FY2013 Design	Construct New Outpatient Care Building #17	$9,700,000	$0	$0	$9,700,000
6	Durham	Minor Construction	VHA6-558-2013-	FY2013 Design	Renovate and Expand Community Living Center and Hospice Bldg #23	$9,900,000	$0	$0	$9,900,000
6	Fayetteville	NRM Project	565-11-113	FY2012 Design	Renovate Bathrooms Phase I	$1,650,000	$0	$165,000	$1,485,000
6	Fayetteville, NC	Minor Construction	VHA6-565-2013-	FY2013 Design	Construct Stand alone Community Living Center	$9,800,000	$0	$0	$9,800,000
6	Fayetteville, NC	NRM Project	VHA6-565-2013-	FY2013 Design	Renovate 2nd Floor for a 25 Bed Medical/Surgical nursing Unit	$8,588,000	$0	$0	$8,588,000
6	Hampton	NRM Project	590-11-401	Grandfathered	Renovate ED Bldg 110B	$225,000	$0	$225,000	$0
6	Hampton	Minor Construction	VHA6-590-2013-	FY2013 Design	Construct 2nd Floor Addition on Building 110B for Specialty and Primary Care	$9,974,000	$0	$0	$9,974,000
6	Hampton	NRM Project	VHA6-590-2013-	FY2013 Design	Renovate and Expand Emergency Department	$3,538,000	$0	$0	$3,538,000
6	Hampton	NRM Project	VHA6-590-2013-	FY2013 Design	Renovate 1 East in Building 110 to Convert into Clinical Space	$2,750,000	$0	$0	$2,750,000
6	Hampton	Minor Construction	VHA6-590-2013-	FY2013 Design	Construct New Mental Health Building	$9,718,500	$0	$0	$9,718,500
6	Richmond	NRM Project	652-11-109	Grandfathered	Renovation of Multiple Inpatient Areas	$1,330,200	$0	$1,330,200	$0
6	Richmond	NRM Project	652-12-106	Grandfathered	Renovate Public Restrooms / Phase II	$990,000	$0	$990,000	$0
6	Richmond	NRM Project	VHA6-652-2013-	FY2013 Design	Emergency Room Improvements	$2,400,000	$0	$0	$2,400,000
6	Richmond	NRM Project	VHA6-652-2013-	FY2013 Design	Improve Patient Privacy 4C/4B	$2,420,000	$0	$0	$2,420,000
6	Salem	Minor Construction	VHA6-658-2013-I	FY2013 Design	Expand/Renovate Emergency Department	$6,600,000	$0	$0	$6,600,000
6	Salisbury	Minor Construction	659-332	GF Constructs	Mental Health Care Renovation, Building 4, Phase 2	$9,460,000	$0	$8,640,000	$0
6	Salisbury	Minor Construction	659-337	FY2012 Design	Renovate Intensive Care Unit	$9,126,000	$0	$770,000	$8,356,000
6	Salisbury	Minor Construction	659-341	FY2012 Design	Renovate Building 11 for Residential Care	$8,226,000	$0	$625,000	$7,601,000
6	Salisbury	NRM Project	VHA6-659-2013-	FY2013 Design	Renovate Medical/Surgical Nursing Units on floors 2-3 for Patient Privacy Bldg 2	$4,000,000	$0	$0	$4,000,000
7	Atlanta	Minor Construction	VHA7-508-2013-	FY2013 Design	Construct Primary/Urgent Care Addition	$9,999,000	$0	$0	$9,999,000
7	Augusta	NRM Project	509-12-104	FY2012 Design	Renovate Mental Health Units, B110	$600,000	$0	$60,000	$540,000
7	Birmingham	NRM Project	521-12-101	FY2012 Design	Renovate Emergency Room Urgent Care Facility	$112,500	$0	$11,250	$101,250
7	Charleston	NRM Project	VHA7-534-2013-	FY2013 Design	Expand and Renovate Emergency Department	$3,025,000	$0	$0	$3,025,000
7	Charleston	Minor Construction	VHA7-534-2013-	FY2013 Design	Relocation of Existing Community Based Outpatient Clinic-Beaufort SC	$5,062,000	$0	$0	$5,062,000
7	Charleston	NRM Project	VHA7-534-2013-	FY2013 Design	Expand Gastrointestinal	$2,750,000	$0	$0	$2,750,000
7	Charleston	NRM Project	VHA7-534-2013-	FY2013 Design	Convert 3BS to Clinical Space	$3,960,000	$0	$0	$3,960,000
7	Columbia, SC	NRM Project	VHA7-544-2013-	FY2013 Design	Renovate 3W for Medical Surgical Unit	$2,500,000	$0	$0	$2,500,000
7	Columbia, SC	NRM Project	VHA7-544-2013-	FY2013 Design	Renovate Inpatient Psychiatry and Substance Abuse to implement B106	$3,200,000	$0	$0	$3,200,000
7	Dublin	NRM Project	557-10-108	Grandfathered	Renovate 13A for Endoscopic Suite	$2,430,000	$0	$2,430,000	$0
7	Dublin	NRM Project	557-12-102	FY2012 Design	Renovate B34 To Outpatient MH	$724,000	$0	$72,400	$651,600
7	Montgomery	NRM Project	619-12-102	FY2012 Design	Renovate Building 3A, 4th Floor to Clinical Space	$272,732	$0	$27,273	$245,459

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7	Montgomery	NRM Project	619-12-105	FY2012 Design	Renovate Urgent Care, Radiology/Nuclear Medine, Prosthetics	$272,800	$0	$27,280	$245,520
7	Tuscaloosa	Minor Construction	VHA7-679-2013-	FY2013 Design	Construct Community Living Center Cottages Phase III	$9,993,000	$0	$0	$9,993,000
8	Bay Pines	Minor Construction	516-327	GF Constructs	Expand/Renovate B-101 Community Living Center	$6,925,000	$0	$5,939,000	$0
8	Bay Pines	NRM Project	516-11-135	Grandfathered	Sebring CBOC buildout	$360,000	$0	$360,000	$0
8	Bay Pines	NRM Project	516-12-101	Grandfathered	Renovate B-22 2nd Floor for Clinics, Phase I	$979,950	$0	$979,950	$0
8	Bay Pines	NRM Project	516-12-123	FY2012 Design	Renovate Community Living Center Phase II (Eden Concept)	$494,959	$0	$49,496	$445,463
8	Orlando	NRM Project	675-12-804	Grandfathered	Renovate Primary Care Lake Baldwin	$504,000	$0	$504,000	$0
8	San Juan	NRM Project	672-12-101	FY2012 Design	Expand Emergency Department & Observation Unit	$700,000	$0	$70,000	$630,000
8	San Juan	NRM Project	672-12-120	Grandfathered	Renovation of Bathrooms and Main Corridors at Outpatient Addition Building	$977,958	$0	$977,958	$0
8	San Juan	NRM Project	672-12-128	Grandfathered	Renovate Community Living Center Restrooms/Showers	$558,071	$0	$558,071	$0
8	Tampa	NRM Project	673-10-859	Grandfathered	Improve Community Living Center Family Area B & C	$500,000	$0	$500,000	$0
8	Tampa	NRM Project	673-12-103	Grandfathered	Spinal Cord Injury B Renovation	$833,377	$0	$833,377	$0
8	Tampa	Minor Construction	VHA8-673-2013-	FY2013 Design	Construct New Mental Health Clinic, 80 Bed Domiciliary, and Primary Care Clinic	$9,125,000	$0	$0	$9,125,000
8	West Palm Beach	NRM Project	548-12-101	Grandfathered	Replace/Rekey Master Key System	$291,482	$0	$291,482	$0
8	West Palm Beach	NRM Project	VHA8-548-2013-	FY2013 Design	Renovate 5B for Private Rooms	$4,000,000	$0	$0	$4,000,000
9	Leestown	NRM Project	596-12-103	Grandfathered	Renovate Prosthetics in Building 1	$45,000	$0	$45,000	$0
9	Louisville	Minor Construction	VHA9-603-2013-	FY2013 Design	Construct Community Outpatient Clinic at Fort Knox	$6,530,000	$0	$0	$6,530,000
9	Memphis	NRM Project	VHA9-614-2013-	FY2013 Design	Expand Emergency Department	$4,275,000	$0	$0	$4,275,000
10	Chillicothe	Minor Construction	538-105	GF Constructs	Renovate Nursing Home Care Unit B211-AB	$8,950,000	$0	$8,172,000	$0
10	Chillicothe	NRM Project	538-13-101	Grandfathered	Renovate Occupational Therapy Building 3	$119,900	$0	$119,900	$0
10	Chillicothe	NRM Project	538-13-105	Grandfathered	Correct Safety Issues for Acute Mental Health Ward, B35CD	$95,000	$0	$95,000	$0
10	Cincinnati	Minor Construction	539-323	GF Constructs	Relocate Nursing Home Care Unit, Phase 2	$9,605,000	$0	$8,621,000	$0
10	Cincinnati	Minor Construction	VHA10-539-2013	FY2013 Design	Construct Inpatient Bed Tower Addition to Correct Patient Privacy, Floors 4 & 5	$9,900,000	$0	$0	$9,900,000
10	Cincinnati	NRM Project	VHA10-539-2013	FY2013 Design	Renovate Pulmonary/Sleep Lab	$1,500,000	$0	$0	$1,500,000
10	Cincinnati, OH	Minor Construction	539-326	FY2012 Design	Relocate Community Living Center, Phase 4	$8,534,012	$0	$853,000	$7,681,012
10	Columbus ACC	NRM Project	757-12-201	FY2012 Design	Expand Clinical Space, 4th Floor	$1,450,000	$0	$145,000	$1,305,000
10	Columbus, OH	Minor Construction	757-200	FY2012 Design	Build Specialty Care Addition	$9,000,000	$0	$900,000	$8,100,000
10	Dayton	NRM Project	552-11-109	Grandfathered	Renovate B-330 1st Floor, Oncology/OEF/OIF	$2,860,000	$0	$2,860,000	$0
10	Dayton	NRM Project	552-13-101	Grandfathered	Renovate Rehabilitation Dept B-330	$990,000	$0	$990,000	$0
10	Dayton	NRM Project	552-13-202	Grandfathered	Renovate Patient Wards for Privacy, 3rd and 4th Floor B-330	$735,000	$0	$735,000	$0
10	Dayton	NRM Project	552-13-203	Grandfathered	Renovate Facility Restrooms-FCA	$262,500	$0	$262,500	$0
11	Ann Arbor	NRM Project	506-12-107	Grandfathered	Convert Prior ER to Clinics	$250,000	$0	$250,000	$0
11	Ann Arbor	Minor Construction	VHA11-506-2013	FY2013 Design	Build Out Clinics in Prior Emergency Room / Urgent Care	$9,540,000	$0	$0	$9,540,000
11	Ann Arbor	NRM Project	VHA11-506-2013	FY2013 Design	Construct Clinics in 2West and 3West, Health Services Research & Development	$5,000,000	$0	$0	$5,000,000
11	Ann Arbor	Minor Construction	VHA11-506-2013	FY2013 Design	Expand Ambulatory Care Clinical Exam Rooms	$8,480,000	$0	$0	$8,480,000

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11	Battle Creek	NRM Project	515-10-114	Grandfathered	Install Centralized Waiting Room Building 2	$225,000	$0	$225,000	$0
11	Battle Creek	NRM Project	515-12-108	Grandfathered	Build Out Muskegon CBOC	$491,754	$0	$491,754	$0
11	Battle Creek	Minor Construction	515-304	FY2012 Constructior	Ambulatory Care Expansion B2	$8,724,000	$0	$7,837,000	$0
11	Danville, IL	NRM Project	550-12-101	Grandfathered	Renovate Community Living Center Building 101 for Privacy	$456,000	$0	$456,000	$0
11	Danville, IL	NRM Project	VHA11-550-2013	FY2013 Design	Renovate Community Living Center Building 101 for Patient Privacy	$5,016,000	$0	$0	$5,016,000
11	Detroit	NRM Project	553-12-103	Grandfathered	PACT Renovations	$75,000	$0	$75,000	$0
11	Indianapolis	NRM Project	583-12-102	Grandfathered	Renovate Intensive Care for Privacy	$300,000	$0	$300,000	$0
11	Indianapolis	NRM Project	583-12-103	Grandfathered	Renovate Ambulatory Care	$300,000	$0	$300,000	$0
11	Indianapolis	NRM Project	583-12-106	Grandfathered	Renovate Prosthetics	$100,000	$0	$100,000	$0
11	Indianapolis	NRM Project	583-12-146	Grandfathered	Renovate Exam Rooms for Privacy	$150,000	$0	$150,000	$0
11	Marion	Minor Construction	610-302	GF Constructs	Clinical Services Expansion, Building 138-4	$6,402,000	$0	$5,900,000	$0
11	Saginaw	NRM Project	655-12-107	Grandfathered	Building 22 Bathroom renovation	$62,000	$0	$62,000	$0
12	Hines	NRM Project	578-11-071	Grandfathered	Renovate 15th Floor for PM&R, bldg 200	$500,000	$0	$500,000	$0
12	Madison	NRM Project	VHA12-607-2013	FY2013 Design	Expand ED/Admissions	$3,866,000	$0	$0	$3,866,000
12	Milwaukee	Minor Construction	695-314	FY2012 Constructior	Construct NHCU Homes (4)	$6,960,000	$0	$6,320,000	$0
12	North Chicago	Minor Construction	556-304	FY2012 Constructior	Construct Four Unit Community Living Centers	$6,936,000	$0	$6,322,000	$0
12	North Chicago	NRM Project	VHA12-556-2013	FY2013 Design	Renovate Specialty Clinics/Operating Rooms	$9,950,000	$0	$0	$9,950,000
12	Tomah	Minor Construction	676-320	FY2012 Constructior	Construct Community Living Center	$4,747,000	$0	$4,269,000	$0
12	Tomah	Minor Construction	676-321	FY2012 Constructior	Construct Clinical Addition B-400	$4,739,000	$0	$4,334,000	$0
12	Tomah	Minor Construction	676-322	GF Constructs	Renovate Building 2 for Transitional Residency Program	$9,667,000	$0	$6,135,000	$0
15	Columbia, MO	NRM Project	589A4-11-108	Grandfathered	Renovate Intensive Care Unit	$450,000	$0	$450,000	$0
15	Columbia, MO	NRM Project	589A4-12-102	FY2012 Design	Relocate Cardiology	$327,800	$0	$32,780	$295,020
15	Columbia, MO	Minor Construction	VHA15-589A4-2(	FY2013 Design	Expand Ambulatory Care Addition, Phase 1	$9,979,000	$0	$0	$9,979,000
15	Kansas City	Minor Construction	VHA15-589-2013	FY2013 Design	Construct Inpatient Mental Health Building for Right Sizing	$9,950,000	$0	$0	$9,950,000
15	Marion	Minor Construction	657-343	FY2012 Constructior	MICU, Day Surgery, Surg & Med Spec	$9,957,000	$0	$9,132,000	$0
15	Marion, IL	NRM Project	657A5-10-108	Grandfathered	Remodel Emergency Department	$2,100,000	$0	$2,100,000	$0
15	Marion, IL	Minor Construction	VHA15-657A5-2(	FY2013 Design	Contruct Mental Health Residential Rehabilitation Treatment Program Addition	$2,000,000	$0	$0	$2,000,000
15	Poplar Bluff	NRM Project	657A4-10-0103	Grandfathered	Expand/Modify Emergency Room	$690,000	$0	$690,000	$0
15	Poplar Bluff	Minor Construction	VHA15-657A4-2(	FY2013 Design	Construct Clinical and Urgent Care Addition	$9,985,000	$0	$0	$9,985,000
15	St. Louis	NRM Project	657-11-106JC	Grandfathered	Expand Triage (Patient Aligned Care Team) Area	$220,000	$0	$220,000	$0
15	St. Louis	NRM Project	657-11-151JB	Grandfathered	FCA Renovate Ward 52S1, Building 52	$1,600,000	$0	$1,600,000	$0
15	St. Louis	NRM Project	VHA15-657-2013	FY2013 Design	Renovate Operating Rooms, Emergency Department, and Triage	$8,376,000	$0	$0	$8,376,000
15	Topeka	Minor Construction	589-379	FY2012 Constructior	Specialty Care Addition	$4,500,000	$0	$4,050,000	$0
15	Topeka	NRM Project	589A5-10-132	Grandfathered	MH-Renovate Building 2 Wards 2-3B and 2-3C, Phase I	$6,000,000	$0	$6,000,000	$0
15	Wichita	NRM Project	589A7-CSI-338	Grandfathered	MH - Construct Behavioral Health Building	$4,000,000	$0	$4,000,000	$0
16	Alexandria	NRM Project	502-11-122	Grandfathered	Renovate portions of B-7 4th floor for Oncology/Chemotherapy, Out Patient Palliative Care, and Ambulatory Surgery Pre-Op Clinic	$618,000	$0	$618,000	$0
16	Alexandria	NRM Project	502-12-203	Grandfathered	Renovate for Sleep Lab Space	$25,000	$0	$25,000	$0
16	Alexandria	NRM Project	502-12-204	Grandfathered	Renovate for new Emergency Department and Urgent Care Clinic	$1,750,000	$0	$1,750,000	$0

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16	Alexandria	NRM Project	502-12-205	Grandfathered	Renovate for Residential Rehabilitation Treatment Program (RRTP)	$50,000	$0	$50,000	$0
16	Biloxi	NRM Project	520-11-120	Grandfathered	Upgrade Restrooms, Bldg 5	$80,000	$0	$80,000	$0
16	Fayetteville	Minor Construction	564-341	FY2012 Constructior	Renovate Former Army Reserve Center	$6,651,000	$0	$6,651,000	$0
16	Fayetteville, AR	NRM Project	564-12-106	Grandfathered	Renovate Patient Bathrooms, Bldg 1	$210,000	$0	$210,000	$0
16	Fayetteville, AR	NRM Project	564-12-108	Grandfathered	Renovate Physical Therapy for IT, Bldg 1	$50,000	$0	$50,000	$0
16	Houston	NRM Project	580-11-104	Grandfathered	Renovate Public Bathrooms	$235,000	$0	$235,000	$0
16	Houston	Minor Construction	580-317	FY2012 Constructior	Build Out of 2nd Floor in Bldg 100 for Specialty Care Services	$9,889,000	$0	$9,049,000	$0
16	Houston	Minor Construction	580-319	FY2012 Constructior	Renovate Bldg 108 for Mental Health	$9,815,000	$0	$8,980,000	$0
16	Jackson	NRM Project	586-08-110	Grandfathered	Renovate SICU	$1,500,000	$0	$1,500,000	$0
16	Jackson	NRM Project	586-09-111	Grandfathered	Renovate Basement D-Section for Oncology Expansion	$1,850,000	$0	$1,850,000	$0
16	Jackson	NRM Project	586-09-114	Grandfathered	Renovate 3K for MH O/P Clinics	$2,280,000	$0	$2,280,000	$0
16	Jackson	NRM Project	586-10-107	Grandfathered	Renovate 4C for Improved Patient Environment	$6,500,000	$0	$6,500,000	$0
16	Jackson	NRM Project	586-12-101	Grandfathered	Renovate 4L for MICU/CCU and Step Down Unit	$350,000	$0	$350,000	$0
16	Jackson	NRM Project	586-12-103	Grandfathered	Renovate 4A for Expanded Inpatient Ward	$315,000	$0	$315,000	$0
16	Jackson	Minor Construction	586-393	GF Designs	Provide 3rd Floor for Community Living Center Expansion, Phase 1	$9,666,000	$0	$834,000	$8,832,000
16	Jackson	Minor Construction	VHA16-586-2013	FY2013 Design	Construct New Outpatient Services Center	$9,900,000	$0	$0	$9,900,000
16	Jackson	NRM Project	VHA16-586-2013	FY2013 Design	Renovate Ward 4C- North & South for Patient Privacy	$5,500,000	$0	$0	$5,500,000
16	Little Rock	NRM Project	598-12-119	Grandfathered	5E/4D Step-Down & Telemetry	$1,000,000	$0	$1,000,000	$0
16	Little Rock	NRM Project	598-12-121	Grandfathered	Renovate 6B Dialysis	$250,000	$0	$250,000	$0
16	Little Rock	NRM Project	598-12-123	Grandfathered	Convert to Single Bed Patient Rooms	$500,000	$0	$500,000	$0
16	New Orleans	NRM Project	629-12-101	Grandfathered	Renovate Urgent Care Center	$720,000	$0	$720,000	$0
16	New Orleans	NRM Project	629-12-106	Grandfathered	Correct Patient Privacy Issues at Clinics	$85,000	$0	$85,000	$0
16	North Little Rock	NRM Project	VHA16-598A0-2(	FY2013 Design	Expand Outpatient & Consolidate Administrative & Support Spaces	$7,902,000	$0	$0	$7,902,000
16	Oklahoma City	Minor Construction	635-406	GF Constructs	Surgical Intensive Care Unit Expansion	$9,700,000	$0	$8,000,000	$0
16	Oklahoma City	NRM Project	VHA16-635-2013	FY2013 Design	Renovate 6 East for Patient Privacy	$2,650,000	$0	$0	$2,650,000
16	Oklahoma City	NRM Project	635-12-303	Grandfathered	Relocate and Expand Dialysis	$100,000	$0	$100,000	$0
16	Oklahoma City	NRM Project	635-12-305	Grandfathered	Renovate 6 East Patient Unit	$265,000	$0	$265,000	$0
16	Oklahoma City	NRM Project	635-12-309	Grandfathered	Remodel Public Restrooms for ADA	$70,000	$0	$70,000	$0
16	Oklahoma City, OK	Minor Construction	635-410	FY2012 Design	Expand Lawton Outpatient Clinic	$2,676,750	$0	$268,000	$2,408,750
16	Shreveport	NRM Project	667-CSI-101	Grandfathered	Mental Health Expansion, Bldg #1-2S	$4,561,188	$0	$4,561,188	$0
17	Bonham	Minor Construction	VHA17-549A4-2(	FY2013 Design	Renovate and Expand Ambulatory Care & and Lab	$9,800,000	$0	$0	$9,800,000
17	Corpus Christi	Minor Construction	VHA17-671-2013	FY2013 Design	Renovate and Expand Corpus Clinic	$10,000,000	$0	$0	$10,000,000
17	Dallas	NRM Project	549-11-906	FY2012 Design	Renovate 7B Patient Privacy	$2,000,000	$0	$200,000	$1,800,000
17	Dallas	NRM Project	VHA17-549-2013	FY2013 Design	Renovate Medical Inpatient Nursing Unit for Privacy 6B	$2,893,000	$0	$0	$2,893,000
17	Dallas	NRM Project	VHA17-549-2013	FY2013 Design	Establish Acute Coronary Syndrome/Observation Unit (ACS/OBS)	$3,820,000	$0	$0	$3,820,000
17	Waco	NRM Project	674A4-CSI-516	Grandfathered	LTC Green House B11	$3,120,000	$0	$3,120,000	$0
18	Albuquerque	NRM Project	501-11-107	Grandfathered	Upgrade Primary Care Areas, Building 41, Phase II	$2,000,000	$0	$2,000,000	$0
18	Albuquerque	NRM Project	501-12-119	Grandfathered	Remodel Renal Dialysis	$150,000	$0	$150,000	$0
18	Albuquerque	Minor Construction	501-320	FY2012 Constructior	Ambulatory Surgery	$9,000,000	$0	$8,140,000	$0
18	Albuquerque	Minor Construction	501-321	GF Constructs	Outpatient Mental Health Expansion	$9,150,000	$0	$8,350,000	$0

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18	Albuquerque	NRM Project	501-CSI-104	Grandfathered	Expand for Women's Clinic and OEF/OIF Space	$350,000	$0	$350,000	$0
18	Albuquerque	Minor Construction	VHA18-501-2013	FY2013 Design	Renovate Building 41, 4A Quadrant, 20 Bed Ward	$9,760,000	$0	$0	$9,760,000
18	Albuquerque, NM	Minor Construction	501-325	FY2012 Design	Build Acute Psychiatric Unit	$9,714,000	$0	$827,000	$8,887,000
18	Albuquerque, NM	Minor Construction	501-326	FY2012 Design	Build New Community Living Center, Phase 1	$9,597,200	$0	$850,000	$8,747,200
18	Amarillo	NRM Project	504-10-704	Grandfathered	Renovate North In-Patient Ward	$3,960,000	$0	$3,960,000	$0
18	Amarillo	Minor Construction	504-220	FY2012 Constructior	Emergency Room	$5,033,000	$0	$4,621,000	$0
18	Amarillo	Minor Construction	VHA18-504-2013	FY2013 Design	Construct Community Living Center	$9,900,000	$0	$0	$9,900,000
18	Amarillo	Minor Construction	VHA18-504-2013	FY2013 Design	Construct Primary Care Clinic	$9,988,000	$0	$0	$9,988,000
18	Big Spring, TX	Minor Construction	519-368	FY2012 Design	Build Community Living Center	$8,253,405	$0	$734,000	$7,519,405
18	El Paso	Minor Construction	756-302	FY2012 Constructior	Dental & Clinical Expansion	$9,988,000	$0	$9,104,000	$0
18	Phoenix	NRM Project	644-13-006	Grandfathered	Renovate E113 Spinal Cord Injury Clinic	$75,000	$0	$75,000	$0
18	Phoenix	Minor Construction	VHA18-644-2013	FY2013 Design	Build New Outpatient Behavioral Health Buidling	$9,714,000	$0	$0	$9,714,000
18	Phoenix , AZ	Minor Construction	644-230	FY2012 Design	Expand Building 1 for Clinical Services	$9,944,960	$0	$864,000	$9,080,960
18	Phoenix, AZ	Minor Construction	644-232	FY2012 Design	Renovate Community Living Center, Phase 2	$9,896,250	$0	$859,000	$9,037,250
18	Prescott	NRM Project	649-12-118	Grandfathered	Renovate Endoscopy, Building 107, Floor 5	$1,260,000	$0	$1,260,000	$0
18	Tucson	NRM Project	678-CSI-103	Grandfathered	Expand for Polytrauma Rehabilitation	$1,726,000	$0	$1,726,000	$0
18	Tucson	NRM Project	678-CSI-104	Grandfathered	Expand for Women's Health and OEF/OIF	$410,000	$0	$410,000	$0
18	Tucson	Minor Construction	VHA18-678-2013	FY2013 Design	Expand Clinics for Patient Aligned Care Teams (Phase 1)	$9,762,000	$0	$0	$9,762,000
18	Tucson, AZ	Minor Construction	678-324	FY2012 Design	Build Mental Health Beds	$9,846,380	$0	$848,000	$8,998,380
19	Cheyenne	Minor Construction	442-101	GF Designs	Behavioral Health Unit	$7,638,000	$0	$667,000	$6,971,000
19	Cheyenne, WY	Minor Construction	442-215	FY2012 Design	Replace 20 Community Living Center Beds	$7,773,289	$0	$777,000	$6,996,289
19	Grand Junction	NRM Project	VHA19-575-2013	FY2013 Design	Elimination of Substandard Beds on 3rd Floor	$3,450,000	$0	$0	$3,450,000
19	Grand Junction, CO	Minor Construction	575-205	FY2012 Design	Build OT/ PT/ Prosthetics Building	$9,087,300	$0	$909,000	$8,178,300
19	Montana HCS	Minor Construction	436-110	GF Constructs	Correct Patient Privacy	$9,931,000	$0	$8,985,000	$0
19	Salt Lake City , UT	Minor Construction	660-330	FY2012 Design	Build Specialty Clinics Building (B.51)	$9,896,616	$0	$990,000	$8,906,616
19	Salt Lake City, UT	Minor Construction	660-302	FY2012 Design	Build Rehab/Prosthetics & Ortho/Neuro/Holistic Medicine Addition (B.01)	$9,964,000	$0	$996,000	$8,968,000
19	Sheridan	Minor Construction	666-308	GF Constructs	Mental Health Residential Rehab	$9,886,000	$0	$8,987,000	$0
19	Sheridan, WY	Minor Construction	666-309	FY2012 Design	Expand Domiciliary	$9,105,000	$0	$910,000	$8,195,000
20	Alaska	NRM Project	463-12-113	Grandfathered	Domiciliary Upgrades	$116,000	$0	$116,000	$0
20	Boise	NRM Project	531-12-102	Grandfathered	Remodel Building 27 for Oncology	$455,000	$0	$455,000	$0
20	Boise	Minor Construction	531-317	GF Constructs	Replace & Modernize Surgery/Intensive Care Unit	$9,985,000	$0	$9,046,000	$0
20	Boise	Minor Construction	531-319	FY2012 Constructior	Construct New Extended Care Unit	$9,983,000	$0	$9,177,000	$0
20	Portland	Minor Construction	648-340	FY2012 Constructior	New Emergency Dept Bldg, Phase 1	$9,825,000	$0	$9,025,000	$0
20	Portland	Minor Construction	VHA20-648-2013	FY2013 Design	Expand Emergency Department, Phase 2	$9,408,000	$0	$0	$9,408,000
20	Portland	NRM Project	648-12-106	Grandfathered	Safety Deficiencies, FY12, Auto door sensors	$250,000	$0	$250,000	$0
20	Portland	NRM Project	648-12-120	FY2012 Design	Bldg. 100 Ward 9D Remodel	$2,475,000	$0	$247,500	$2,227,500
20	Roseburg	Minor Construction	653-321	FY2012 Constructior	Protective Care Unit (PCU) Relocation	$9,990,000	$0	$9,120,000	$0
20	Roseburg	Minor Construction	653-322	FY2012 Constructior	Bldg 2 Acute Psych Ward Replacement - Seismic	$9,775,000	$0	$8,925,000	$0
20	Seattle	NRM Project	663-11-111	Grandfathered	Renovate Unit 6 East for Cancer Care	$2,000,000	$0	$2,000,000	$0
20	Seattle	NRM Project	663-12-106	Grandfathered	Renovate 5 East for new Endoscopy Suite	$445,500	$0	$445,500	$0
20	Seattle	Minor Construction	663-376	GF Designs	Expand Specialty Clinics	$9,344,000	$0	$939,000	$8,405,000
20	Seattle	NRM Project	VHA20-663-2013	FY2013 Design	Renovate 5 East for new Endoscopy Suite	$4,455,000	$0	$0	$4,455,000

VISN	Facility	Project Category	Project Number	Project Year	Project Title	Total Project Cost ($)	FY2011 Obligations ($)	FY2012 Planned Design or Construction Obligation ($)	FY2013 and Beyond Planned Obligations ($)
20	Seattle	NRM Project	VHA20-663-2013	FY2013 Design	Renovate 6 West for new 25-bed Acute Medicine Ward	$5,000,000	$0	$0	$5,000,000
20	Spokane	NRM Project	VHA20-668-2013	FY2013 Design	Renovate Basement Mental Health Building	$1,650,000	$0	$0	$1,650,000
20	Spokane	Minor Construction	VHA20-668-2013	FY2013 Design	Construct Intensive Outpatient Mental Health/Education Building	$9,870,000	$0	$0	$9,870,000
20	Vancouver	Minor Construction	648-342	FY2012 Design	Build Primary Care Clinic	$9,300,000	$0	$930,000	$8,370,000
20	White City	Minor Construction	692-331	GF Constructs	Expand Ambulatory Care Clinic	$9,966,000	$0	$9,240,000	$0
20	White City	NRM Project	VHA20-692-2013	FY2013 Design	Renovate Building 201 for Primary Care	$3,900,000	$0	$0	$3,900,000
20	White City	Minor Construction	VHA20-692-2013	FY2013 Design	Replace Seismically Deficient Domiciliary Bldg 203	$9,600,000	$0	$0	$9,600,000
21	Fresno	NRM Project	570-10-106	Grandfathered	Expand Community Living Center Medical Gas System	$150,000	$0	$150,000	$0
21	Fresno, CA	Minor Construction	570-218	FY2012 Design	Expand Community Living Center	$9,735,400	$0	$974,000	$8,761,400
21	Livermore	NRM Project	640A4-12-120L	Grandfathered	Renovate CLC, Building 90	$95,099	$0	$95,099	$0
21	Martinez	NRM Project	612-12-213	Grandfathered	Construct CNS/CLC Vestibule, MTZ	$800,000	$0	$800,000	$0
21	Menlo Park	Minor Construction	VHA21-640A0-2(	FY2013 Design	Building 334 National Center for Post Traumatic Stress Disorder Expansion and Renovation	$9,950,000	$0	$0	$9,950,000
21	Menlo Park, CA	Minor Construction	640-382	FY2012 Design	Expand Homeless Domiciliary Outpatient and Therapy Programs	$9,800,000	$0	$980,000	$8,820,000
21	Palo Alto	NRM Project	640-12-114P	Grandfathered	Renovate Dialysis Suite, Building 100	$1,800,198	$0	$1,800,198	$0
21	Palo Alto	Minor Construction	VHA21-640-2013	FY2013 Design	Expand Emergency Department Facilities	$9,975,000	$0	$0	$9,975,000
21	Reno	NRM Project	654-12-705	Grandfathered	Renovate Dental	$165,000	$0	$165,000	$0
21	Reno	NRM Project	654-12-707	Grandfathered	Upgrade CLC Palliative Care Room - Phase 2	$50,000	$0	$50,000	$0
21	Reno	Minor Construction	654-317	FY2012 Constructior	TCU Culture and Patient Safety Improvements	$9,800,000	$0	$8,569,000	$0
21	Reno	Minor Construction	654-339	FY2012 Constructior	Specialty Clinic Bldg	$9,970,000	$0	$9,005,000	$0
21	Reno	NRM Project	VHA21-654-2013	FY2013 Design	Renovate inpatient rooms on 3C and 4C for private rooms	$1,250,000	$0	$0	$1,250,000
21	Reno, NV	Minor Construction	654-412	FY2012 Design	Relocate, Upgrade & Expand ICU	$9,500,000	$0	$950,000	$8,550,000
21	Sacramento	Minor Construction	612-111	GF Designs	Consolidate/Expand Medical Procedures	$9,960,000	$0	$833,000	$9,127,000
21	San Francisco	NRM Project	662-12-202	Grandfathered	Dental Service Renovation	$1,500,000	$0	$1,500,000	$0
21	San Francisco	Minor Construction	662-611	FY2012 Constructior	Emergency Prep/Response	$9,935,000	$0	$8,929,000	$0
22	Loma Linda	NRM Project	605-09-166	Grandfathered	Consolidate ICUs	$8,000,000	$0	$8,000,000	$0
22	Loma Linda	Minor Construction	605-325	FY2012 Constructior	NHCU Cultural Transformation	$8,894,000	$0	$8,118,000	$0
22	Loma Linda, CA	Minor Construction	605-329	FY2012 Design	Expand Community Living Center	$9,993,600	$0	$999,000	$8,994,600
22	Loma Linda, CA	Minor Construction	605-330	FY2012 Design	Expand Emergency Department	$9,592,683	$0	$959,000	$8,633,683
22	Loma Linda, CA	Minor Construction	605-331	FY2012 Design	Consolidate Intensive Care Unit	$9,482,496	$0	$948,000	$8,534,496
22	Long Beach	NRM Project	VHA22-600-2013	FY2013 Design	B150 SCI T-1 Conversion to Long Term Care Beds	$8,512,000	$0	$0	$8,512,000
22	Los Angeles - OPC	NRM Project	691GE-12-105LA	Grandfathered	Renovate Mental health Ambulatory Care Clinic - Downtown	$2,011,000	$0	$2,011,000	$0
22	Sepulveda	NRM Project	691A4-12-104SM	FY2012 Design	Renovate Ambulatory Care Mental Health Clinics	$1,963,000	$0	$196,300	$1,766,700
22	West Los Angeles	NRM Project	691-12-103WL	Grandfathered	Renovate Inpatient Mental Health	$7,211,100	$0	$7,211,100	$0
22	West Los Angeles	NRM Project	691-12-106WL	FY2012 Design	Renovate Building 500 Bathrooms	$995,000	$0	$99,500	$895,500
22	West Los Angeles	NRM Project	691-12-108WL	FY2012 Design	Renovate Ambulatory Care Mental Health Clinics	$8,454,600	$0	$845,460	$7,609,140
23	Des Moines	Minor Construction	636-343	GF Constructs	Emergency Department Expand/Renovate	$4,633,000	$0	$4,177,000	$0
23	Des Moines	NRM Project	636A6-11-308	Grandfathered	Women's Clinic within Existing Hospital	$400,000	$0	$400,000	$0
23	Des Moines	NRM Project	636A6-11-930	Grandfathered	Upgrade Primary Care Check In	$100,000	$0	$100,000	$0
23	Des Moines	NRM Project	636A6-12-201	Grandfathered	Wander Garden Phase II	$50,000	$0	$50,000	$0

VISN	Facility	Project Category	Project Number	Project Year	Project Title	Total Project Cost ($)	FY2011 Obligations ($)	FY2012 Planned Design or Construction Obligation ($)	FY2013 and Beyond Planned Obligations ($)
23	Des Moines	NRM Project	636A6-12-202	Grandfathered	Bathroom Upgrade	$70,000	$0	$70,000	$0
23	Fargo	Minor Construction	437-310	FY2012 Constructior	B1 Additional Outpatient Treatment	$9,763,000	$0	$8,914,000	$0
23	Fargo	Minor Construction	437-311	FY2012 Constructior	TCU Expand/Remodel	$8,605,000	$0	$7,856,000	$0
23	Fargo	Minor Construction	VHA23-437-2013	FY2013 Design	Remodel and Expand Urgent Care Area	$8,250,000	$0	$0	$8,250,000
23	Fort Meade	NRM Project	568-12-104	Grandfathered	Renovations to CLC G-Ward	$445,000	$0	$445,000	$0
23	Hot Springs	NRM Project	568A4-12-205	Grandfathered	Renovation for PACT Primary Care	$75,000	$0	$75,000	$0
23	Iowa City	NRM Project	636A8-12-001	FY2012 Design	Renovate Inpatient Ward 5 East & 4 East	$4,500,000	$0	$450,000	$4,050,000
23	Iowa City	NRM Project	VHA23-636A8-2(	FY2013 Design	Renovate 8E for Endoscopy and Cardiology	$2,700,000	$0	$0	$2,700,000
23	Iowa City, IA	Minor Construction	636-201	FY2012 Design	Expand Building 1 for PCMH/Ambulatory Care/Radiology/Egress Stairwell Addition	$9,969,515	$0	$500,000	$9,469,515
23	Minneapolis	NRM Project	618-12-103	Grandfathered	PT/OT Renovation	$30,000	$0	$30,000	$0
23	Minneapolis	NRM Project	618-12-130	Grandfathered	Site Prep for Mammography Suite	$50,000	$0	$50,000	$0
23	Omaha	NRM Project	636-12-102	Grandfathered	Renovate for Mental Health Service Center Lin	$550,000	$0	$550,000	$0
23	Omaha	NRM Project	636-12-108	Grandfathered	Renovate Restrooms	$355,000	$0	$355,000	$0
23	Omaha	NRM Project	636-12-117	Grandfathered	Renovate Ambulatory Care for PACT Alignment	$85,000	$0	$85,000	$0
23	Sioux Falls	Minor Construction	VHA23-438-2013	FY2013 Design	Construct Outpatient Specialty Medicine Addition	$2,790,000	$0	$0	$2,790,000
23	Sioux Falls	NRM Project	VHA23-438-2013	FY2013 Design	Women's Health/Patient Privacy Improvements	$2,000,000	$0	$0	$2,000,000
23	Sioux Falls, SD	Minor Construction	438-385	FY2012 Design	Expand Emergency Department/Relocate Oncology Services	$3,766,500	$0	$695,000	$3,071,500
23	Sioux Falls, SD	Minor Construction	438-386	FY2012 Design	Build Primary Care Addition	$3,149,080	$0	$315,000	$2,834,080
23	St. Cloud	Minor Construction	656-321	FY2012 Constructior	Expand PC/SC, Reconfigure Support Space	$9,730,000	$0	$8,915,000	$0
23	St. Cloud	Minor Construction	656-329	FY2012 Constructior	Long Term/Interim Psych	$8,379,000	$0	$7,637,000	$0
23	St. Cloud	Minor Construction	VHA23-656-2013	FY2013 Design	Construct Community Living Center Cottage	$9,716,000	$0	$0	$9,716,000
23	St. Cloud	Minor Construction	VHA23-656-2013	FY2013 Design	Expand/Construct Outpatient Mental Health Clinic	$9,496,000	$0	$0	$9,496,000
23	St. Cloud	NRM Project	656-12-188	FY2012 Design	Renovate Building 4 1st Floor for Medical Home Model	$526,000	$0	$52,600	$473,400
23	St. Cloud	NRM Project	656-12-215	Grandfathered	Renovate Bathrooms in Adult Day Health Care	$197,000	$0	$197,000	$0
23	St. Cloud, MN	Minor Construction	656-339	FY2012 Design	Reconfigure/Expand Buildings 9 & 28 for Residential Rehabilitation Treatment Program	$8,068,968	$0	$730,000	$7,338,968
					Privacy (excluding Specific Women's Projects) Sub-totals	**$1,482,344,245**	**$0**	**$554,164,716**	**$886,603,529**
					Specific Women's Projects Sub-totals	**$16,580,050**	**$0**	**$3,281,500**	**$13,298,550**
					Privacy (excluding Specific Women's Projects) Sub-totals	**$2,332,680,300**	**$353,126,340**	**$691,952,153**	**$1,224,201,951**
					Specific Women's Projects Grand Total	**$50,328,351**	**$22,849,668**	**$10,725,377**	**$13,298,550**

b. In fiscal year 2013, how much is requested to correct patient privacy deficiencies? Also, please provide a list of facilities that will receive funding in fiscal year 2013.

Response. New space and renovations for privacy and women's health are critical elements in the prioritization process for our construction programs, with privacy ranking in the top criteria under safety and women's health ranking in the second highest criteria under Secretarial priorities. As can be seen in the attached spreadsheet, a significant amount of funding has been and continues to be targeted toward privacy and women's health projects. In fact, for VHA's FY 2011 construction programs, privacy and women's health supported over 1/3 of the available NRM and Minor funding ($884 million out of a total of $2.5 billion); and privacy and women's

health represents almost 60 percent of the planned projects with the appropriated and requested FY 2012 and FY 2013 budgets ($1.5 billion out of $2.51 billion).

[Refer to spreadsheet for question 31a.]

Question 32. In fiscal year 2012, VA requested $3.04 million to continue a "Health and Wellness Initiative" started in fiscal year 2011. In response to a question for the record asking how effective this program has been in promoting healthier employees, VA responded that "[p]rogram effectiveness measures will be reviewed at six months and at the end of the fiscal year."

a. Please describe the specific objectives of this program and what benchmarks will be used to measure success. Please provide the Committee with documents assessing the effectiveness of the program.

Response. The objective of this program is to support the transformation of the VA into a model employer by providing a program which supports a healthier workforce. This initiative supports VA Strategic Goal #4, 4.1 which focuses on improving internal customer satisfaction with management systems and support services including operations and business process of Human Resources. Healthier employees will be better able to provide high-quality service to Veterans and their families.

Data obtained in FY 2011, which is identified as the baseline year, will continuously be measured against data obtained in subsequent years. Data from annual completion of the health risk assessments will be used to identify programs and measure program effectiveness through employee self identification of:

a. Absenteeism rates—Days taken off work for non-work related medical, personal or other reasons. (self reported via the health risk assessment)

b. Presenteeism rates—Lack of desire to perform assigned duties. Merely showing up for work (self reported via the health risk assessment)

c. Improved management of chronic medical conditions (self reported via the health risk assessment).

d. Increased job satisfaction (determined by satisfaction survey results). (FY 2012 is the baseline year for this survey.)

Thus far participation has increased 6% in FY 2012 to an overall participation rate of 16%. The following table presents the baseline for absenteeism for FY11:

HPLI Absenteeism Report

April 17, 2012

Condition	Avg Days	N=	Age	%Pop	Per Person	Aggregate
Allergies	.1731	9516	45.0	33%	$432.15	$4,112,386.45
Anxiety	.5369	2453	44.0	8%	$1,339.98	$3,286,977.30
Arthritis	.2755	4275	51.0	15%	$687.61	$2,939,535.14
Asthma	.2124	2491	46.0	8%	$530.16	$1,320,629.52
Autoimmune	.4867	712	48.0	2%	$1,214.87	$864,987.86
Back Pain	.5074	3948	47.0	13%	$1,266.42	$4,999,808.35
Cancer	.5	790	53.0	2%	$1,248.00	$985,920.00
Depression	.5384	3331	46.0	11%	$1,343.83	$4,476,294.16
Diabetes	.1861	2137	52.0	7%	$464.43	$992,483.11
Diabetes Type 1	.3426	135	45.0	%	$855.11	$115,439.80
Digestive	.3147	2361	45.0	8%	$785.39	$1,854,303.11
Heart Disease	.4571	933	53.0	3%	$1,140.99	$1,064,542.73
Hypertension	.1443	7122	49.0	25%	$360.26	$2,565,737.31
Mental	1.3971	402	43.0	1%	$3,487.26	$1,401,878.10
Metabolic	.1325	2002	47.0	7%	$330.74	$662,136.42
Migraines or headaches	.5454	3811	44.0	13%	$1,361.34	$5,188,079.54
Neck Pain	.3202	3004	47.0	10%	$799.34	$2,401,221.88
Periph Vascular Disease	.3252	143	53.0	%	$811.63	$116,063.71
Pulmonary	.5289	95	52.0	%	$1,320.25	$125,423.91
Respiratory	.415	1438	49.0	5%	$1,035.81	$1,489,487.67
Seizures	.1879	141	46.0	%	$469.11	$66,143.91
Stroke	.1979	96	52.0	%	$494.00	$47,423.84

HPLI absenteeism results for participants meeting these criteria: Starting: 10/1/2010, Ending: 9/30/2011

Total participants completing an HRA: 28402

LEGEND:

Avg Days = Number of days the average person with this condition misses per 30 days due to the condition—generally a partial day such as 0.5 (e.g. 1/2 a day).

N = Count of participants with the condition shown.

Age = average age of the stated percent of individuals who responded to the question.

% Pop = Percentage of the total HRA population with the condition. ''Per person'' and ''Aggregate'' figures are annual costs and assume a labor cost per hour of $39.00

Total absenteeism loss is estimated at: $41,076,903.81

Chairman MURRAY. Thank you very much, Mr. Secretary. Let me begin the questions by getting this one off the table. It is on the issue of sequestration and cuts to spending. Like I said in my opening remarks, I believe that all VA programs, including medical care, are exempt from cuts; but there is some ambiguity between the Budget Act and the existing law.

When I asked the Acting OMB Director to address this issue during a Budget Committee hearing 2 weeks ago, he said OMB has yet to make a final determination.

So, I am concerned that by not settling this issue now we are really failing to provide our veterans with the clarity that they really deserve to have.

So, while you are here I wanted to ask you: do you believe that all VA programs, including medical care, are exempt from any future cuts?

Secretary SHINSEKI. I think, Madam Chairman, the answer that the OMB Director provided you is the same one that I understand. They are still addressing the issue.

For my purposes, I would tell you I am not planning on sequestration. I am addressing my requirements and presenting my budget as you would expect me to do.

I think sequestration, in part or in whole, is not necessarily good policy, and I think the President would argue that the best approach here is a balanced deficit reduction, and he believes that the budget he has presented does that and asks that the Congress look at that budget and favorably consider it.

Chairman MURRAY. I think we all hope that that is the outcome, but we want to provide clarity to our veterans. They are very concerned about this issue.

Mr. Secretary, last year we talked a lot about mental health care, and I think we together uncovered a lot of serious issues best summed up by a veteran that I heard from recently who uses Ann Arbor Medical Center and had to wait months and months to get into counseling, but then he had glowing things to say about his mental health providers once he got in.

So, in order to address those types of issues, the VA has to be certain it has enough resources to not only keep up with the increasing number of veterans who are seeking mental health care, but also to bring down that unacceptably long wait time.

Over the course of the last fiscal year, the number of Iraq and Afghanistan veterans who are looking for mental health care went up by about 5 percent. That is about 18,000 veterans every quarter.

So, I wanted to ask you this morning if you believe the increase in mental health funding in the budget request is sufficient to accomplish the goals and keep up with this increasing demand.

Secretary SHINSEKI. I believe that the budget, if you look at the 2013 budget request, I think is adequate for us to meet what we understand our requirements are in 2013. Are there issues out there that we will discover between now and the execution of the budget, I would say if we do, Madam Chairman, I would be the first to tell you.

Now, you asked us to do a survey and we did. It was very hastily done. Senator Burr referred to some of the output, the conclusions

out of that survey. Out of 20,000 of our mental health providers, 319 were surveyed and the results were as described.

My question of the Veterans Health Administration (VHA) was did you go to the places that we thought there would be problems and the answer was yes because we were asked to go figure this out.

So, I would say we got a pretty pure response. What I think we need to do is to make sure we are going to take another broader look here and make sure we understand across the larger population what our issues are and where there are opportunities for reallocation or, as it becomes clear, to hire more people.

I would offer to the Chair, I took a look at what we have done in mental health over the last four budgets. If we look at 2012 to 2013, it is rather unimpressive. I mean, it is 5 percent and it matches the increase in the medical budget.

But between 2009 and 2013, our increase is 39 percent in mental health; and if you include the 2014 advance appropriation, it will go up 45 percent.

Chairman MURRAY. And that is the result of the number of soldiers who are coming home with the invisible wounds of war which is dramatically increasing, correct?

Secretary SHINSEKI. True, but we are trying to anticipate that there is going to be a larger requirement here in the out-years even if we do not have clarity. We are trying to prepare for that. We want to do a larger survey here as I indicated and then see what the outcomes are.

But let me turn to Dr. Petzel for any details here.

Dr. PETZEL. Thank you, Mr. Secretary.

Madam Chairman, as a result of the hearing that we had earlier in the year, we have now done two things that are, I think, important and on point with regard to your question.

One is that we have developed a staffing model. It is the only staffing model that I know that is available about mental health. It is in the beginning stages, but it is giving us some information about what the need might be.

But I think more importantly we are sightvisiting all 152 of our medical centers to look at the access to mental health services, both the initial appointment and subsequent appointments for PTSD in-patient program, group or individual psychotherapy.

And what we are finding is that we do meet the criteria for the first appointment in most every instance. We are having some difficulty in some parts of the country making the next appointment in a timely fashion, getting them, as you mentioned earlier, into the specialty services. This could be the result of three things.

One is: do we have enough staff out there? Have we given enough positions and enough resources? Two is: are those positions filled? Are they filling those positions in a timely fashion? And the third is: are we getting the appropriate level of productivity out of each one of those people?

If we do discover, as the Secretary just mentioned, that we do have additional needs that are unmet, I can guarantee you we will be in communication with the Committee about those needs and for that discussion.

Chairman MURRAY. OK. I appreciate that. This is a top priority for us this year.

Secretary SHINSEKI. I would just share that in fiscal year 2011 we hired about 897 additional mental health professionals bringing us up to about 20,500 mental health professionals.

So, the interest is there in trying to determine what the requirement is, and we are not hesitant about increasing those numbers.

Chairman MURRAY. Thank you very much.

Senator Burr.

Senator BURR. I thank the Chairman. Since the Chair just asked about mental health, let me just ask if my information is correct. In December, the VA polled their facilities and they found there were 1,500 open mental health positions. Is that accurate, Dr. Petzel?

Secretary SHINSEKI. Let me turn to Dr. Petzel.

Dr. PETZEL. Could you repeat that number, Senator Burr?

Senator BURR. That December 2011, the VA polled their facilities and found that there were 1,500 mental health slots that were unfilled meaning——

Dr. PETZEL. Out of 20,500 that is true, yes.

Senator BURR. OK. I just wanted to make sure the information I had was correct.

Mr. Secretary, I wanted to thank you for something unrelated to this budget hearing. March 31 in North Carolina we will have the first in the country Welcome Home Vietnam Vets Day, an all-day event and I want to thank you for the VA's cooperation in making sure that the VA presences there to make sure that we are able to catch those who have fallen through the cracks, work with those who have problems and will have a VA mobile presence there as we will from DOD and a lot of private-sector entities that are working on employment, placement.

I think this is a very, very special event that is long overdue and hopefully it will be the first of a total of 50 that are held around this country; and I thank you for the VA's participation.

I am going to ask for chart number 1 to go up. Earlier I mentioned a number of performance matrices that seem to be heading in the wrong direction when it comes to claims processing; but I want to start by talking about the quality of VA's decisions on disability claims.

Your goal is to have 98-percent accuracy, but for the past 3 years accuracy nationwide has been about 84 percent; and as of December 2011, the accuracy rate at regional offices around the country varies from 94 to 61.

Mr. Secretary, in total how much is VA requesting for 2013 budget to carry out all of those quality initiatives including the quality review teams at each of the regional offices?

Secretary SHINSEKI. Thank you, Senator. Let me turn to Secretary Hickey to answer that.

Ms. HICKEY. Thank you, Senator Burr, for your question. I am glad that you are asking about quality because we are very focused on both production and quality. It is not a trade for one or the other.

I cannot give you the very specifics on each one of those costs, but I can tell you we expect the impact to be significant in our abil-

ity to produce a more accurate and more consistent response across the board.

Our quality review teams are a critical part of this. For those of you who may not be aware of what those are, we have taken our Systematic Technical Advisory Review (STAR) teams, nationally recognized even by I think by Members of your Committee staff, based out of Nashville, TN.

We have replicated their skill level, their training, and what they do every single day now inside every single regional office across the Nation.

Their responsibility will be not just to check quality at the end of the process, but to also work closely with our employees in a training environment to check different parts in our process where we make most errors and to correct those issues early.

Senator BURR. At what point on a calendar would you make a determination as to whether those quality initiatives are going to work and what indicators would you look at to make that decision?

Ms. HICKEY. Thank you, Senator, for your follow-up question. I will tell you we have already done that. No initiative that we have in our transformation plan of the 40 plus initiatives in the people category: how we are organized and trained to do our work; in the process environment: how we have adjusted some of our business processes; or in our technology solutions have not been tried, tested, and measured for impact before we are implementing them.

So, in fact, on the quality of review teams——

Senator BURR. But at some point you have got to say we are going to look at it and see if this is working.

Ms. HICKEY. We did, sir, absolutely. We did in local pilots and we just announced this week, in fact——

Senator BURR. So, a year from now when we get together for the 2014 budget, if the quality has not improved or the timeliness down, it will have failed?

Ms. HICKEY. No, sir, I do not expect the quality not to have improved. We have some very significant decisions and initiatives.

Senator BURR. My point is what if it does not.

Ms. HICKEY. Sir, then we will adjust as necessary to find the reasons why. We will tackle that hard, but I do not expect that to be the answer. I expect us to see improvement in both quality and production.

Senator BURR. Thank you.

Secretary SHINSEKI. Senator, if I might, quality is a function of trained people with the right tools, and we are working on both items right now.

Senator BURR. My question was simple, Mr. Secretary. At what point will we determine whether what we have implemented is working?

Secretary SHINSEKI. Fair. We will be happy to provide that. We set a target of ending this issue with backlog in 2015. We begin fielding the automation tool we have been building for 2 years in 4th quarter of this fiscal year. We expect that the tool will be rolled out nationally through 2013, in this budget; and as we do that, we expect both speed and quality to go up.

Senator BURR. If I could ask the Chair for just one additional question on this round, and I would call up the second slide. VA

made this projection last year at the budget hearing. "Productivity due to the impact of the overall transformation plan which will rise from 89 annual claims per direct labor in 2012 to 129 in 2015."

As you can see from the chart, we talked about productivity per FTE best year at 79.5 percent. This year we are looking at 73.5 percent. What percentage increase in individual productivity do you expect from the Veterans Benefit Management System and what percent do you expect from other initiatives that are underway at?

Secretary SHINSEKI. I will turn to Secretary Hickey for the details. I would say what these charts do not reflect, Senator, is that in the last 3 years we have taken on some other projects that are unaccounted for here.

The GI Bill requirement to get that program up and running, and today we have over 600,000 youngsters in college under an automated system that did not exist in 2009, and I think we all recall that first semester we had to do everything manually, and it was not the prettiest process.

But we did that manually, got 173,000 youngsters in a school and on their path to the future. At the same time, we began building this automation tool for the GI Bill. By April we had the first part of that tool out and fielded and we have added four or five more versions to make it more productive.

We will get better over time. It is hard for me to give you a day and a month when this quality factor will meet any of our expectations but we set on 2015 as the date on which we would have the backlog solved and the quality at 98 percent. That is what we are focused on.

I will give you the best way points that we can figure out but that will be a product of what we are doing to train our work force and what we are doing to give them the right tools. We are talking about the right tools now.

But in this same time you are questioning about the growth in our human resource investments for the Department, we've focused on training for our 300,000 employees, many of them who have never been trained on their job, so they can produce what we expect and that they can leverage these tools.

Ms. HICKEY. Thank you, Senator Burr. I would like to first start by saying thank you to you, Chairman Murray and the Members of this Committee for unprecedented budget increases that VBA has enjoyed in the last 3 years.

I think we need to put that in a little context. That 36 percent was used to tackle a 48 percent increase in claims over the same period of time, and that was to support nearly 12 million servicemembers, veterans, their families, and survivors; and that is including a net increase in the last year of half a million new veterans to our rolls using our benefits and services.

For the second year in a row, we also completed more than a million claims using those resources. That is 16 percent more claims per year than we have done in 2008, before that chart started doing some of those things.

I will tell you and put frankly on the table that we have paid more than $3.3 billion to Vietnam veterans based on new Agent Orange presumptive conditions. I thank you for celebrating our

Vietnam Veterans, we put more than $3.3 billion into the hands of 117,000 of those Vietnam Veterans out there in the last year.

That had an impact on that line. That impact was that there were 260,000 other claims in backlog we did not get to. That also had an impact on FTE because we put two times the FTE associated with each one of those claims on those very difficult, complex and old claims.

In addition, we stood up in the same period of time and put four times the level of FTE to our most wounded, ill, and injured in our integrated disability evaluation system to get those folks taken care of right and well the first time. So, that also had an impact on the line that you laid out in front of us.

The positive news about all of that is we are nearly done. We are down to the double digit levels of the Agent Orange *Nehmer* cases, 99.9 percent done through those 250,000 cases.

We are now capable of shifting all of those 13 resource centers we had across the Nation that were hunkered down doing those *Nehmer* Agent Orange claims. Tomorrow we are shifting that all back into normal backlog caseload. It will be focused on our benefits for discharged veterans. It will be focused on our Quick Start veterans, and it will be focused frankly on our oldest cases we have on the books during the month of March.

Chairman MURRAY. Thank you, Senator Burr.

Senator Akaka.

Senator AKAKA. Thank you, Madam Chairman.

General Shinseki, as you know, we often face challenges in treating our veterans who live in many rural and remote areas. This is especially true in places like Alaska and Hawaii where you just cannot get some places by jumping in a car and driving there.

I know that you are working on an MOU with the Indian Health Service to find solutions to help provide services to our Native American veterans, and I commend you and all of your involvement in these efforts.

Mr. Secretary, can I get your commitment to look into possible ways of working with the Native Hawaiian Health Care Systems and the Native American Veteran Systems to provide services for, in this case, Native Hawaiian Veterans who live in many of the rural parts of the State of Hawaii?

Secretary SHINSEKI. Senator, you have my assurance that we will do our utmost to provide for any of our veterans wherever they live, including the most rural and remote areas, the same access and quality to health care and services as we provide to someone living in a more urban area.

There is a challenge with that but we are not insensitive to that challenge, and we are working hard to provide VA-provided services and, where we cannot, to make arrangements, if quality services exist in those areas, make arrangements for veterans to be able to participate in those local opportunities.

We are, I think you know, working and have been now for some time, on signing an MOU with the Indian Health Service so that wherever they have facilities and we have a vested interest, a veteran, an eligible veteran going to an Indian Health Service facility will be covered by VA's payments. We are in stages of trying to bring that MOU to conclusion.

We intend to do that. Where tribes approach us prior to the signing of that MOU to establish from a tribal Nation a direct relationship with VA because they have a medical facility and would like us to provide the same coverage, we are willing to do that but that will be on a case-by-case basis.

Senator AKAKA. Thank you.

Secretary Shinseki, staffing shortages continue to be a problem although there has been progress. Some clinics are seeing staffing levels below 50 percent causing excessive waiting times for veterans that need care. I understand this is an issue you have been working on. As you know, the number of veterans needing services is growing yearly, and it shows that you have been making progress.

Can you provide an update to the department's progress to address staffing levels?

Dr. PETZEL. Mr. Secretary, thank you.

Senator Akaka, thank you for the question. We have talked about mental health earlier and the efforts that we are making to try to assess whether there is adequate staffing there.

I think you are probably talking about primary care which is our largest outpatient clinic operation. We treat 4.2 million veterans in our primary care system and that accounts for the lion's share of our budget expenditures.

We assessed staffing 3 years ago when we began to implement what we call the Patient Aligned Care Team or PACT program and have done it again recently, and we are finding that we are now able to bring up the support staffing and the physician staffing to reasonable levels associated with the standards around the country.

I would like to take off-line any information you have about specific places where there is a 50-percent vacancy rate. I am not aware of the fact that we have this around the country so I would be delighted to meet and talk with your staff and find out where these areas might be so that we can address them specifically.

Senator AKAKA. My time has expired but, Secretary Shinseki, as we face budget constraints, we must all work to improve our efficiencies and redouble efforts to look for ways to get the most for our budgeted resources.

My question to you is: Can you talk about any steps you are taking to improve the acquisition process at VA and any efficiencies that you have been able to realize in this area?

Secretary SHINSEKI. Senator, I would tell you that we have been working for several years now on restructuring our acquisition business practices. Three years ago acquisition was spread throughout the organization.

Now it is consolidated in two centers. One comes directly under Dr. Petzel and that is for all medical acquisition, gloves, masks, aprons. We ought to be able to leverage that into a bulk purchase and get a good price on those kinds of things.

For everything else we have an Office of Acquisition Logistics and Construction. We have a director who heads that office, and everything else governing acquisition is consolidated under his review.

Both offices work acquisitions and the work of both offices then comes up to my level, to the Deputy Secretary, as part of our monthly oversight review process.

Chairman MURRAY. Thank you. Thank you very much.

Senator Johanns.

Senator JOHANNS. Thank you.

Mr. Secretary, let me, if I might, visit with you about the National Call Center. This is something that I think we had high hopes for. You might have had high hopes for, but I have to tell you it is not working well. Here is what we are running into.

The complaints kind of fall into two separate categories. The first category would be people that call the call center and no one answers. I mean, it just rings and rings and rings, and there is no one there.

I will tell you in my own Senate office my staff has run into this problem where we just cannot get a live person on the other end of the line.

The second area is you finally get somebody, a live person to answer the phone, and you get connected with them and they do not have information. You know, the veteran is or we are calling in or somebody is calling in, what is going on with my claim or whatever it is, and you are just not getting a responsive human being on the other end of the line.

I am guessing what it is is they just do not have access to the information that we are seeking, and so it seems to me that we are creating an expectation of service when really there is not much service there.

I would like to hear your thoughts or whoever's thoughts on your team about the call center, what are the prospects for that, are you hearing these problems; and if we are still committed to the call center, what is in place or what will be in place to try to solve the issues that I have raised.

Secretary SHINSEKI. Thank you, Senator. I have tested the call system myself, and sometimes have been pleasantly surprised, other times disappointed, but that has been something I have done for 3 years now; and then demanded that we go out and fix it.

So, we are in the process of putting a fix in place called the Veterans Relationship Management System. If the concerns you are expressing are anything where the experience occurred 6 months ago and longer, I would offer that we have put this tool in place and changes are occurring weekly, and I will ask Secretary Hickey to provide some detail.

But I, like you, think when a veteran picks up a phone and calls VA, there ought to be someone there that answers. Or, if he or she chooses to come in online, that it ought to have information that is useful to them that is easily discovered so they do not have to run through a series of traps to find what they are looking for.

We owe them, and that is the first step in any service organization and that is our intent here. So, let me call on Secretary Hickey.

Ms. HICKEY. Senator Johanns, thank you very much for your question, and I appreciate your comment earlier about eBenefits. That is actually part and parcel of our multi-prong approach in our Veteran Relationship Management (VRM) capability about being

able to converse with that veteran in the time and the method that they choose. We have surveyed our veterans, and 73 percent of them want to meet us online. So, eBenefits is part of that solution.

But let me address specifically your questions, first about no live person. Let me tell you about the two new pieces of functionality that we have measured outcomes on from our J.D. Powers' Voice of the Veteran (VOV) Pilot Survey, the first of which is virtual hold.

It means if a veteran calls us and there is a long waiting time, they can elect this hold option, hang up the phone, continue feeding the baby, getting ready for work, doing whatever it is they need to do, and we will call them back on cue. Ninety-two percent of our veterans have elected that option, and we have connected with them.

The second one is our scheduled callback, meaning I cannot wait on the line with you now but can schedule a time that I can talk to you, and you will guarantee to call me back. We have just implemented that one in December.

Between those two, one million veterans have elected those options. As a result, we have seen clear, demonstrated, measurable performance. We have a 15-percent improvement in overall satisfaction on the ability of our veterans to get through, and we have seen a dropped call rate reduction of 30 percent.

Those are both part and parcel of the new technology and the new ways we using our Veteran Relationship Management (VRM) system's capabilities.

In another VRM initiative, previously our call agents would have had to cycle through 13 different databases to get that veteran or family member, or survivor the information they needed.

Today, as we deploy this, and it is critical for our IT budget, unified desktop puts all 13 databases worth of that critical information you want to know on one screen, making our call agent much more effective in delivering a good outcome.

Also built into this is world-class call recording, call tracking, and data analytics that we are literally using every single day to improve our service in that environment.

Senator JOHANNS. I am out of time but if I could just ask as these things are being implemented, as we are going down the road here if periodically you could give us on the Committee an update as to the progress you are seeing because I do think there is real hope with the call center.

You know, the veteran, at least, can get somebody who can answer their question, et cetera. So, I would just like to stay abreast of how they are doing so I do not lose track of it.

Ms. HICKEY. I would be very happy to do that, Senator.

Chairman MURRAY. Thank you very much.

Senator Tester.

STATEMENT OF HON. JON TESTER,
U.S. SENATOR FROM MONTANA

Senator TESTER. Thank you, Madam Chairman.

I appreciate seeing Secretary Shinseki and all of the folks on the panel today.

A special thank you to you, General, for coming to Montana last summer. The veterans are very appreciative of that as was I. And you, too, Bob; thank you very, very much for being there and listening and hearing. So thank you very, very much.

I want to talk a little bit about what Senator Akaka talked about very, very quickly, and that is the kind of strategies that the VA is using to recruit folks.

This is not in the GP area. This is an area that is much more difficult in my opinion, and GP is not easy, but that is the need for mental health professionals.

As you know, Dr. Petzel—I think you were there when we opened the facility in Helena—it is a great facility. We still do not have staffing at this point in time as far as psychiatrists.

Do you have the adequate amount of flexibility to be able to go out and recruit—and it can go to the Secretary or to Dr. Petzel—to be able to go out and recruit and really get folks in because I am not sure we are there yet?

Dr. PETZEL. Thank you, Mr. Secretary, and thank you, Senator Tester. I am aware of the issues at Fort Harrison. We have four psychiatrist vacancies. In general, we can recruit around the country very successfully for psychiatric social workers, for psychiatric nurse clinicians, and for clinical psychologists.

The most difficult recruitment for us is the M.D. position of psychiatrists.

Senator TESTER. Yes.

Dr. PETZEL. We are not unique. This is an issue that all health systems around the country face. We are very competitive, however, in terms of wages, in terms of working conditions and the other kinds of things that are appropriate, and are needed for recruitment.

So, I think we are in a position to do the best job we can of recruiting. I do not know what we could add right now to the basket, if you will, of things that we have to offer. It is a matter of identifying the people that want to come to places like Helena, which is beautiful, by the way.

Senator TESTER. Thank you.

Dr. PETZEL. In an environment where there just are that many of them.

Senator TESTER. OK. Well, I just think that it has been an ongoing problem particularly in rural and frontier areas like Montana, and it is not a problem that I think bodes well for the veteran who has issues that revolve around mental health because we all know if we have professional help, quality-of-life advances and the costs go down.

So, I want to talk about health IT for a second. We can all agree that advanced appropriations have allowed the VA, I think, to be more efficient, more effective to deliver quality health care for our veterans.

However, it is my understanding that the exclusion of health care-related IT funds and advanced appropriations have put us in somewhat of a bind. It is hard to deliver quality care when you cannot make corresponding investments in things like phone systems that connect to veterans' electronic health records, allow the VA better to coordinate it.

Can you speak, just speak about this issue and how the inclusion of health care-related IT funds and advanced appropriations could improve the quality of health for our veterans?

Secretary SHINSEKI. Thank you, Senator. I would just begin by saying Congress provided us a very unique mechanism called the advance appropriation, and it is a gift to VA because it really gives us opportunity for continuous budgeting every year by submitting two budgets. It gives us two looks at our budget.

So, we submit what we understand our best estimate is as an advance appropriation and then we come back a year later and we submit the actual budget and we can make adjustments.

The advance appropriation applies primarily and solely to health care and so Dr. Petzel has his continuous budget. Everyone else is on annual budgeting.

Under advance appropriations, we have the budget for medical services, medical compliance and reporting, and medical facilities. What happens is when we have a delay, a C.R., it affects the rest of the budget where IT resides. Dr. Petzel has his authorization to start building facilities and standing them up but then we have to wait, as sometimes happens, on a delay until the IT budget gets released so that now it can catch up to him.

In a case last year, I think the budget CR lasted until April so it is a pretty significant period.

We are a bit off stride here and I am trying to figure out how we can get this together and link up the authorities you provide along with the budget to do his business and get him the tools that allow him to see patients. There is no separation between medical IT and medicine today—that is all one treatment discussion.

Senator TESTER. Well, let us know how we can help you be more effective in the IT area and I think Chairman Murray and Ranking Member Burr will help on this, too. I just think that it is really important in this day and age and——

Secretary SHINSEKI. Can I just follow very quickly, Madam Chair, or just add here.

Senator TESTER. Go ahead.

Secretary SHINSEKI. What sometimes happened, as happened last year, the IT budget is now released in April, and it is a big number because it is all IT. Well, really in it you have the paperless system that goes with Secretary Hickey's operation and you have medical IT that goes with Dr. Petzel's operation.

I am just trying to be clear here. The piece that I am concerned about is the medical IT. So, we link decision to do things for veterans in the medical sense along with the tools to be able to do that.

What happened last year, as sometimes happens, this large IT budget gets identified in April and we can now go forward, and an assessment is made by Congress. Well, it cannot possibly spend their budget before the end of the year so we lose $300 million in the Congressional budget process at a time when we really need that funding to marry these two things up. Secretary Baker can now not deliver what we have already approved a year before and we are delaying that.

So, I think——

Senator TESTER. A timing issue.

Secretary SHINSEKI. Yes. I think there is a mechanism here of getting stride on both ideas, and we would be happy to work with you on it.

Senator TESTER. Thank you. I want to thank everybody for being here today. I will get into the rural cemetery thing with Mr. Muro, but we will propose those questions in writing. Thank you all very, very much.

Chairman MURRAY. Thank you very much.

Senator Moran.

STATEMENT OF HON. JERRY MORAN, U.S. SENATOR FROM KANSAS

Senator MORAN. Madam Chairman, thank you very much.

Mr. Secretary, in 2008 Congress passed the Rural Veterans Access to Care Act. This was a piece of legislation I was involved with in my days in the House. It was signed into law. The program is now referred to as Project ARCH, Access Received Closer to Home; and that legislation set certain criteria that if a veteran lived a certain number of miles from an outpatient clinic or from a VA hospital, the VA would provide those services locally using a local physician, a local hospital.

My legislation was broad in its initial form. It was narrowed by Congress to create pilot programs, and the VISN that Kansas is in was included as one of those pilots.

I have expressed my complaint to the VA before because when the VA then implemented its pilot program, it did not choose a VISN as a pilot project. It chose a community.

In my view, we have taken legislation that created a pilot program and created a pilot program within a pilot program, and we now have a project ongoing in Pratt, Kansas to demonstrate whether or not this idea works.

I would love to hear the report of progress being made but also used this moment as an opportunity to again encourage the Department to expand this pilot so that you can take more than one community.

What happens in Pratt, Kansas, which is less than an hour from Wichita, is significantly different than what happens in Atwood, Kansas, which is 5 hours from Wichita; and the access to providers is totally different between those kind of communities.

So, while I am certainly pleased a pilot program is ongoing, I am not certain, in fact, I am completely uncertain, let me say that differently. I am completely certain the VA has not chosen wisely as it has narrowed the project to a very small scope to determine how it works.

In that regard, along the same topic of that CBOCs, we have an ongoing problem similar to what has been expressed in regard to mental health by Senator Tester, and I understand the doctor's testimony about the inability to attract and retain professionals; but it is sure becoming clear to me that we have that same problem outside of mental health.

Our ability to retain physicians in CBOCs across the rural Kansas, and I assume across the country, is a huge problem. And more and more we have nurse practitioners, physician assistants, that

the availability of a physician has become very limited, and we have many CBOCs now where no physician is generally present.

And I understand the Secretary's testimony about IT as a potential solution. We certainly have offered to our VISN to make certain that we do everything as a Member of the Senate now to provide VA with the resources to provide the necessary personnel.

My assumption is my answer will be very similar to what you told Senator Tester, and it is the same one that I hear from VISN folks in Kansas is it is not really a resource issue. We can pay sufficient amounts of money to attract medical professionals, but we are struggling like everyone else to attract those professionals.

I have heard that answer for a long time. You said it again today, Dr. Petzel. In some fashion that cannot be the final answer. Just because everybody else is struggling to attract professionals to take care of patients, we can not afford to allow the VA to have the same—I understand the problem. I do not mean to be critical in that sense but there has to be something more than, well, everybody is experiencing this problem. There has to be a path to a solution.

Secretary SHINSEKI. I am going to ask Dr. Petzel to address your question. I would say, Senator, the rural areas are particularly challenging because of the lack of availability. I think, and Dr. Petzel said that our tools are really on reaching out. We want highly qualified, and we want talent. Our tools are what we are able to compensate and what we are able to award to recognize performance of good people doing outstanding work and retaining them through bonuses for the high-quality ones.

Our tools are limited, but we owe you the best efforts we can to go after that talent. The biggest challenges are in the rural communities, and we have to circle our wagons here.

Senator MORAN. Mr. Secretary, I appreciate your sentence that you owe us that. We understand we owe our veterans that but I would also tell you that Congress, I owe you every tool possible to help you meet that criteria; and the complaint or concern I have is that I am not being asked to do something to solve the problem.

So, what I am asking for is tell us what we can do to provide the assistance so that when we have a hearing 6 months from now, or we are back here next year talking about the budget the answer to whether or not there is a doctor at CBOC is not that or that we are meeting the mental health needs of veterans particularly in rural areas is not every health care provider, every community, every rural State is having the same struggle we are. Help us help you solve this problem.

Secretary SHINSEKI. OK. Fair enough.

Senator MORAN. Thank you. Dr. Petzel.

Chairman MURRAY. Dr. Petzel, do you want to very quickly respond?

Dr. PETZEL. I will try to be very quick.

Thank you, Senator Moran. The M.D. issue first. You are absolutely right that we all have this difficulty in certain rural parts of the country.

I would say that if you look at our MD situation across the whole system, we do not have a recruitment problem. It is very important that we focus on the fact that this is rural America.

Two things that we would like to do. One is that we need to expand our tuition reimbursement program to be able to provide an incentive for people to go to rural areas by reimbursing them for their tuition from medical school.

The second one was an idea that the Secretary had. I do not want to get into the details of it but to do something like the military does with their Uniform Services Medical School and that is recruit people, pay for their medical education with an obligation to follow on and work with us in particular parts of the country. Those are two areas that we are trying to explore.

Secretary SHINSEKI. Thank you, Senator. I will just put a little finer point on what Dr. Petzel said. I thought that if we went into areas, rural areas and found a highly talented youngster, with great potential and targeted that individual and got them through college and the medical school process, that they would be going home, and so, in the long run we would not be facing the retention bonuses and those kinds of things. You would have provided someone for the long-term as a solution to that requirement, in that community. That is part of the discussion here.

Senator MORAN. I appreciate your thoughts and please consider me an ally. We can follow up with the ARCH question at a later time. Thank you.

Chairman MURRAY. Thank you.

Senator Begich.

STATEMENT OF HON. MARK BEGICH,
U.S. SENATOR FROM ALASKA

Senator BEGICH. Thank you very much. I also want to ask along these same comments that Senator Moran—and I like some of these ideas that you have just mentioned—so I would be anxious to participate.

I know in one of our hospitals in Alaska they actually give a bonus to employees—a pretty significant bonus, up to $10,000—to recruit and retain nurses because of the high capacity and the need. So, thank you for offering those ideas.

Let me also say thank you, Mr. Secretary, for the two staff that you sent up to Alaska. I think it was last week or the week before, and Chairwoman Murray for sending Committee staff also.

It is important, as you know, to come up to Alaska to understand what rural is all about. I know you have been there. Thank you for your visit and your team's visit. It makes a difference to the people there but also I think opens the eyes to a lot of folks how we have to deliver health care in the most remote rural areas of this country. So, thank you for that commitment.

Let me, if I can, and I know we have had some conversations, Mr. Secretary, in regards to the idea of the Alaska Arrows card and the idea of trying to weave through this access issue in parts of the country that have limited access to veterans' care.

In Alaska specifically, as you know, we talk about the roadless areas, those areas of 80 percent of the communities of Alaska that do not have access by road. So, when we read, and I noted your testimony about Internet connect and get the mobile van out there, there is no mobile van possible. The mobile van is in the air, and that is the only way to get it.

So, I know we have talked in a very positive vein about how to create this access, and I just wanted to check in with you on a kind of update on that. I know we have kind of talked about the quality of care through our Indian Health Services which is superior to so much care that has been given today across the country and it is high quality care.

Tell me kind of where you think we are at at this point. I know you have been very responsive. I know we have been badgering you and your team on a pretty regular basis because, as you have seen, the veterans all they want to do is go across the street to Indian Health Service clinic to get the regular checkups as a choice, not as a requirement.

If they choose to go to a VA hospital clinic, so be it. But if it is across the street, let us make that happen because the quality of care is equal or in some cases we would argue better in certain specialties of the VA.

So, what is your latest on that?

Secretary SHINSEKI. I think that, as you and I have discussed, I think you will recall that we have put in a policy that would allow veterans from Alaska to go locally and reduce the amount of veterans having to travel to the lower 48. There is a rather robust program underway there.

As I described, we are working with the Indian Health Service to establish this MOU which would open a lot of processes especially for Alaskan native veterans.

In the meantime, based on my visit to Alaska, and with the Alaska Native Tribal Health Consortium, we have established discussions with them in trying to ensure that however the IHS MOU progresses that we are ready to provide health to veterans who are being seen now in the consortium.

Senator BEGICH. Do you feel that is going in the right direction with the tribal consortium?

Secretary SHINSEKI. Let me turn to Dr. Petzel since his people are in negotiations and discussions.

Senator BEGICH. OK.

Dr. PETZEL. Thank you, Mr. Secretary, and Senator Begich, I really do sympathize with what you talk about in terms of the ruralness of Alaska as well as other parts of the country.

While we are waiting for the MOU to be finished, Alaska is one of two places where we are proceeding with tribal interactions, and I hesitate to use the word "pilot," to get specific agreements within a tribal unit in Alaska.

I believe it is the Southeast Alaskan Tribal Association, we are progressing in getting some arrangements made. It would be wonderful from my perspective if a veteran could make a choice and access tribal clinics. If, indeed, that was more convenient and the care was successful, and that we could work out the reimbursement arrangement.

I think that is what we are trying to do in Alaska. We have another effort going on in South Dakota to do that.

Senator BEGICH. And you feel, I guess the ultimate question, you feel it is moving in the right direction.

Dr. PETZEL. Absolutely.

Senator BEGICH. Excellent. The last, I have two quick ones. One is Senate Bill 914 authorizes a waiver that I have introduced on the collection of co-payments for telehealth, telemedicine.

I guess the general comment is I know we have about 200 veterans or so. I think about 100 or so are already in the program in Alaska. I know others across the country. The idea is, especially with mental health services, telehealth is a huge winner in a lot of ways. It actually works very successfully. We have asked that to be waived through this legislation, the co-pay, so it increases the capacity of telehealth.

Can either one of you give me a thought, Mr. Secretary, of supportive, I know any time you take dollars away but my view is telehealth is just a money saver. And especially with the shortage of mental health services, this is a potential way to meld the two problems and create a solution.

Secretary SHINSEKI. Senator, neither Dr. Petzel nor I are familiar with this legislation. So, if I may, I will provide that for the record.

Senator BEGICH. Absolutely. That is on Senate Bill 914. We will get you some information on that.

The last comment, if I can, Madam Chair, if I can just add to my concern, Under Secretary Hickey, actually our last call was Friday from someone who could not get through on the 800 number. So, it is not old; it is new.

And I know when I was Chair of the Student Loan Corporation, one of the things we did on that, because we had a call center. As you can imagine, a lot of people upset when their loan rates changed or they did not get their payment in or whatever it might be.

So, we had to go through a whole revamping of the system; but the metrics we measured by were on a regular basis reported so we could see where the possibilities are.

You had mentioned that you are going to have or you have a system that you can see the metrics of success, wait time, call time, hold time, response, all of those.

I want to echo what my colleague on the other side said that I would really anxiously want to see that because this is our number 1 caseload work is around the VA issues.

Second to that within the VA is the 800 number, lack of response or inadequate response I should say. And that is current, not 6 months ago or a year ago. This is very current and customer service is the name of the game, how to make sure these veterans have the services they need.

Is that something you can provide sooner than later so I can get a better understanding?

Secretary SHINSEKI. I am going to dive into those numbers today based on the testimony.

Senator BEGICH. Very good. Thank you, and I think the only solution to your issue on the IT is your whole Department should be a 2-year budget process instead of 1-year and 2-year. That is my personal opinion. That would solve a lot of problems.

Chairman MURRAY. Thank you very much.

Senator Boozman.

Senator BOOZMAN. Thank you, Madam Chair. I just have a couple of concerns. The budget request includes operational efficiencies that are estimated could save $1.2 billion. That has been done in the past by, you know, various administrations. Last year's budget request also included operational efficiencies of just over $1 billion.

In the past, GAO has really questioned, you know, whether or not those savings have come about. I guess if they do not come about, how are you planning for the risk? What is your contingency plan if you do not see a billion dollars in savings?

Secretary SHINSEKI. I am going to call on Dr. Petzel to respond since they looked at his budget for the savings, anticipated savings, but I can tell you that right off the top, $362 million was saved because of our conversion to dialysis services using a Medicare standard pay rate instead of paying the rates we were being charged previously.

$200 million was in improper payments savings, because we reduced those. Through the program management accountability system program office in IT, about $200 million was in savings because we terminated projects that were not going to deliver; and then about another $100 million was from the first notice of death office in which we stopped payment on veterans' accounts after they passed away. In the past, this has been an issue with as much as $100 million in overpayments.

And for the future, we agreed to provide as a minimum $173 million in savings, by reducing waste in 2012 and 2013. That is part of our effort to get at the savings and efficiencies.

Let me just ask Dr. Petzel to provide more detail.

Dr. PETZEL. Thank you, Mr. Secretary, Senator Boozman.

The savings let us just go through a little bit of what went on in 2011. We saved a large amount of money. The GAO reviewed that and we are still actually negotiating with them about what they actually found.

The essence is going to be that we, indeed, can validate the savings that we claimed from the various operational efficiencies. They do have a legitimate criticism about the way we measured things and the granularity of the measurement which we are going to be improving.

For 2013, as the Secretary mentioned, we are going to save a large amount of money on payments for dialysis. We have contracts or blanket purchase agreements with virtually every dialysis center that we use that is going to save us hundreds of millions of dollars over what we would have expended had we not been able to do that.

The Medicare rate payment change that occurred with the regulations allowing us to charge Medicare rates for both the professional fee and the facility fee is going to save us about $300 million. That is absolutely money that we know we would have spent otherwise had we not been able to do that.

In the efficiencies with fee care, again something we can measure easily, it is going to be over $200 million. Acquisition fees have about $355 million in savings.

There is a long list, and I am not going to take the time to go through that, but I am absolutely confident that we will be able to save this money in VHA.

Secretary SHINSEKI. Madam Chair, if I may add just one last comment here. We are going to look at all of this and work it hard.

I have cautioned that in the end we have to focus on what makes sense for veterans, and I will use dialysis as an example. We are after the best prices we can get; and if you just look at that, you may be encouraged to outsource all of it.

I have argued that dialysis is something we have to retain a handle on. We should do a certain amount, a certain portion of it in-house. Why do I say that? I am just concerned that if we provide funds and let somebody else take care of dialysis, we ignore what a medical profession is supposed to do, and that is, as long as we are doing dialysis, we will have to ask ourselves what causes it, why do we have to do this, what are the things on the front end that allow us to deal with preventing diabetes so that dialysis does not become a fact that we have to live with. I think the medical profession is the best at asking those questions and that is why I think within VA we need to retain a piece of that operation.

Senator BOOZMAN. Very quickly, the President has proposed a billion dollars in funding for the Veterans Conservation Corps. He anticipates that that will create 20,000 jobs for veterans.

We all agree that there is a lot of backlog in the work that needs to be done in the parks and the infrastructure and those kind of things.

I had the opportunity to be the Chairman and then the Ranking Member on the Economic Opportunity on the House side and really worked very closely pertaining to the TAP program and busy with lots of veterans about their dreams and aspirations.

I have a lot of concern about spending a billion dollars in that direction. That is not, you know, kind of the direction that we were going in the Committee I do not believe. And, like I said, I visited with lots of veterans and I really do not know. A billion dollars is a lot of money.

I think that could be, you know, put to good use but for myself I really do not believe that that is the direction that we need. I have never heard a veteran express to me that that is the route that they would like to go.

So, again, I just want to express some real concern in that regard.

Chairman MURRAY. Thank you very much, Mr. Secretary. Obviously we have had a lot of participation by Members at this time. We have another panel that needs to present today. We want to give them sufficient time and I have been called the to the Capitol so I am going to submit the rest of my questions for the record.

And, Senator Burr, do you have any more comments before the Secretary leaves?

Senator BURR. Madam Chairman, I am going to submit a lengthy set of questions. I would ask the Secretary and his leadership team for a quick response to them lieu of asking a second round of questions and would make four points to you.

These are disturbing trends that I see from the information as we analyze the prior year. VA took in 430,000 more claims than were decided.

Two, appeals that resulted in a decision took 1123 days to come to fruition. That is disturbing. The VA central office staffing in-

crease to 40 percent 2008. In that same timeframe human resource administration increased 80 percent.

For VISNs created in 1995, we envisioned 22 VISNs, a total of 154 to 220 employees and an annual budget of $27 million. Today, we have 21 VISNs, roughly 1340 staff and a $165 million annual cost.

Many of my questions will be reference to these four areas and I look forward, Dr. Petzel, with you and others to discuss some of the trends that I see that should raise and do raise flags for me and hopefully would raise flags for both of you.

Again I thank you.

Secretary SHINSEKI. May I respond, Madam Chairman?

Chairman MURRAY. Yes.

Secretary SHINSEKI. I will be happy to provide the details, and I, like you, am concerned and watched the growth. There has been growth of the veteran population. In the last 2 years, we have added 800,000 veterans to our enrollment. The VA headquarters is 1 percent of our budget today as it was in 2008, and it is a reflection of accommodating that growth, and I will be happy to provide the details.

Chairman MURRAY. Mr. Secretary, thank you very much to you and your team for accommodating our Committee today. We appreciate that and ask that you answer the questions that will be submitted to you by myself and the Members of the Committee in a timely fashion.

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. PATTY MURRAY, CHAIRMAN, TO U.S. DEPARTMENT OF VETERANS AFFAIRS

HEALTH CARE

Question 1: VA's Fiscal Year (FY) 12 budget request included a $57 million advanced appropriation request for FY13 to implement section 2901(b) and 10221 of the Patient Protection and Affordable Care Act, which establishes the Indian Health Service as the payer of last resort. The FY13 budget request includes $52 million for both FY13 and for advanced appropriations for FY14. Please explain the assumptions used to calculate the $57 million request during the FY12 budget cycle, and how they differ from the assumptions used during the FY13 budget cycle.

Response:
The methodology used in the FY12 and FY13 budget submissions is based on the following factors: estimated number of American Indian/Alaska Native Veterans eligible to receive care through both the Indian Health Service (IHS) and VA; estimated percent of Veterans who receive care through IHS, VA, or a mix of both IHS and VA; and the estimated cost per patient to IHS of providing care.

IHS and VA are committed to improving access to services and benefits for American Indian and Alaska Native Veterans. The Department of Health and Human Services/IHS and VA have made significant progress in developing a draft agreement to facilitate VA reimbursement for direct care services provided to eligible American Indian and Alaska Native Veterans by IHS and participating Tribal health programs.

VA will adjust its methodology for the FY14 budget request to incorporate the additional data and assumptions included in the agreement.

Question 2: The Department is working toward a follow-on program, Patient Centered Community Care, to be implemented after the end of the Project HERO pilot program.

a. How will this program ensure proper care coordination between VA and non-VA providers?

Response: Patient-Centered Community Care (PCCC) partnered with Non-VA Care Coordination (NVCC) is focused on ensuring proper coordination between VA and non-VA providers. PCCC will include a referral from a VA provider with specific guidance on the care needed. The appointment process will include coordination with the VA Utilization Review Team, Fee staff and clinical staff. Once care is provided, the non-VA provider will return medical documentation to VA in a timely manner. Quality of care is included in the PCCC contracts through specific requirements of accreditation, credentialing, board certification, timeliness of result reporting for urgent requests, and safety events. The combining of contractual requirements, overall management of the Non-VA Care Program, VA reviews of returned medical documentation, and enhanced coordination between VA and non-VA providers increases VA's ability to provide quality oversight of care purchased on behalf of Veterans. Any additional treatment requests will be approved and coordinated by VA before the treatment is provided.

b. How will the Department ensure the contractors that win regional contracts for this program have the incentive and ability to help veterans create appointments, ensure they attend their appointments, track no-shows, pay the providers timely, and ensure the return of clinical records so that VA will be able to recapture or track these patients?

Response: While the specific contract requirements have not yet been finalized, VA is researching the appropriateness of incentives tied to performance standards to help ensure the selected contractors provide excellent customer service and timely care. Leveraging lessons learned from Project HERO, the PCCC statement of work will include requirements for timeliness of access to care, reporting of no-shows, and timeliness for the return of clinical documentation to VA.

BENEFITS

Question 3: How many VR&E participants does VA anticipate enrolling in FY13 through its Coming Home to Work Program?

Response: The term "Coming Home to Work" is used to describe the Vocational Rehabilitation and Employment (VR&E) program that provides early intervention and outreach services to Veterans and Servicemembers as they transition out of the military. For fiscal year (FY) 2013, the VR&E program is expecting 130,588 participants, a 10% increase over FY 2012.

Question 4: The VA Innovation Initiative includes three VR&E projects related to entrepreneurship and self-employment. To date, how many veterans have completed each program?

Response: The three VR&E Innovation Initiatives include Veteran Entrepreneurial Transfer (VETransfer), Veteran Self-Employment Accelerator (VetSEA), and EAdvantage.

- VETransfer is a business incubator which provides new businesses with office space and shared facilities, such as telecommunication systems and internet connections, in a dedicated building. This program is designed to support the successful development of entrepreneurial companies through an array of business support resources and services, and through its network of contacts. VETransfer has been in contact with 214 Veterans and is actively working with seven Veterans who are receiving VR&E self-employment benefits. VR&E has also referred seven additional Veterans who are in the process of being engaged with VETransfer. No Veterans have yet completed the program, as the training and follow-up generally take two or more years.
- VetSEA is a virtual business accelerator, an on-line interactive tool to guide Veterans in planning, launching, and sustaining self-employment ventures. VetSEA is currently working with 16 Veterans who are receiving VR&E self-employment benefits. No Veterans have completed the program, as the training and follow-up generally take two or more years.
- EAdvantage provides business training and mentoring, however has not yet started working directly with Veterans. The kickoff for this contract was held on September 12, 2011, and the curriculum catalog and website are currently being finalized. The website is scheduled to be operational for Veterans beginning in May 2012, and at that time, Veterans can begin enrolling in services.

Question 5: Please describe all existing claims processing pilots and initiatives including the specifics of each pilot in terms of location, size, purpose, time frame for completion, and measures for success. What criteria are used to determine which regional office hosts a pilot and how are successful pilots integrated into the larger Claims Transformation Plan?

Response: VBA is pursuing a major organizational transformation grounded in VA's Agency Priority Goals (APGs), specifically:

- Eliminate Veterans disability claims backlog (no claim pending more than 125 days and 98 percent accuracy in 2015)
- Improve Veterans' access to benefits and services
- End Veteran homelessness by 2015

VBA's Transformation Plan is based on more than 40 initiatives in the areas of People, Processes and Technology, selected from ideas submitted from employees and stakeholders. Transformation is not a "once and done," flip-of-the-switch proposition – it is a dynamic process of intaking, researching, testing and launching new ideas and initiatives. Under the Transformation Governance Process, VBA initiatives progress through a series of decisions as they mature from proposals to pilots to nationally deployed initiatives.

Initiatives are being implemented through a deliberate process and rolled out to regional offices (ROs) in a multi-year, phased approach that will ensure success and minimize risk. Key initiatives that are currently in pilot or implementation phases are described in this document.

VBA's Implementation Center is a program management office (PMO) with dedicated resources using a governance process to achieve standardization and sustainability. Its

primary mission is to synchronize and oversee implementation of the Transformation Plan. Additionally, the Implementation Center will develop performance measures that will track the impact of the Transformation Plan.
The successful execution of the plan is expected to result in a 45 to 60-percent increase in productivity and a 14-point increase in quality in 2015 from an FY 2011 baseline.

People Initiatives (How VBA is changing workforce organization and training)

- *Intake Processing Center (IPC)* enables quick, accurate claims triage (getting the right claim in the right lane the first time). This initiative was rolled out to the Wichita, Ft. Harrison, and Milwaukee ROs on March 26, 2012. National deployment is expected by the end of fiscal year 2013. The IPC has the potential to save 40 days combined with Segmented Lanes and Cross-functional Teams, discussed below.
- *Segmented Lanes* will improve the speed, accuracy and consistency of claims decisions by organizing claims processing work into distinct categories, or lanes (Express, Core, and Special Operations), based on the amount of time required to process the claim. This initiative was rolled out to the Wichita, Ft. Harrison, and Milwaukee ROs on March 26, 2012. National deployment is expected by the end of fiscal year 2013. Segmented Lanes have the potential to save 40 days combined with IPC and Cross-functional Teams
- *Cross-functional Teams* initiative consists of teams of cross-trained raters co-located to reduce rework time, increase staffing flexibility, and better balance workload by facilitating a case-management approach to completing claims. This initiative was rolled out to the Wichita, Ft. Harrison, and Milwaukee ROs on March 26, 2012. National deployment is expected by the end of fiscal year 2013. Cross-functional Teams have the potential to save 40 days combined with IPC and Segmented Lanes
- *National Level Challenge Training* provides training to employees on claims processing through a standardized curriculum. The 8-week program enables new raters to process 1.3 disability claims per day at 98-percent accuracy (actual) – up from an average of 0.5 cases per day and 60-percent accuracy.
- *Skills Certification* improves performance and accelerates productivity of claims processors.

Process Initiatives (How VBA is making improvements that result in quality and timeliness gains)

- *Simplified Notification Letter (SNL)* standardize and streamline the Veteran's decision notification. SNL reduce complexity and time by 10-20 percent in testing. This initiative was fully implemented nationally on March 12, 2012. Overall productivity is a key metric used in determining this initiative's effectiveness.
- *Quality Review Teams (QRT)* will improve claims quality through assessments throughout the process. It has the potential to improve quality 4 points; improve quality insight from four-month lag to one week. QRT was fully implemented nationwide on March 5, 2012.
- *Disability Benefits Questionnaires (DBQs)* change the way medical evidence is collected, giving Veterans the option of having their private physicians complete a form that provides the medical information necessary to process their claims. This initiative was nationally implemented on March 19, 2012. DBQs have the potential to reduce exam processing times and improve quality.
- *Rater Decision Support Tools* establish consistent rater performance, and include three rules-based calculators (Special Monthly Compensation, hearing loss, and joints). The rules-based calculators have the potential to improve quality by six percentage points from 2011 to 2015.
- *Paperless Compensation and Pension Records Interchange (CAPRI)* was nationally implemented in November 2011. This initiative eliminates the requirement to print and file CAPRI records at substantial cost and time savings. Paperless CAPRI has saved printing of 13 million pages of medical records and 220,000 hours of printing and filing time since implementation.
- *Acceptable Clinical Evidence (ACE)* allows VHA medical personnel to use existing medical evidence and complete a DBQ in lieu of an in-person exam. This reduces the burden on the Veteran and caregiver to travel to VA Medical Centers to complete exams and reduces the time waiting for evidence in claims cycle. In the ACE pilot conducted by St. Paul Regional Office and Minneapolis VA Medical Center, 39 percent of exam requests were completed using ACE, with average processing time of six days.

The current national average exam processing time is 27 days. National implementation is being planned for every regional office with a VA medical center located in the same metropolitan area. National tracking metrics are currently being developed jointly between VBA and VHA.

Technology Initiatives (building systems that transition VBA to a paperless, automated, rules-based, multichannel access environment)

- *Veterans Benefits Management System (VBMS)* standardizes disability compensation claims processing through Web-based paperless system. As of March 16, VBMS has completed over half (56 percent or 563) of its 1,000 established claims. The average days to complete a claim in VBMS is 135 days. National rollout is expected to begin in July 2012.
- *Veterans Relationship Management (VRM)* initiative improves telephone service and online Web access, including electronic claims submission as it goes online in summer 2012. Total contacts (including phone, email, and online eBenefits sessions) have increased 5.4 million (59 percent), from 9.1 million to 14.5 million from FY 2009 to FY 2011. The VRM initiative includes:
    - *Virtual Hold - ASAP* system automatically calls the Veteran back versus making them hold. We have achieved 92-percent reconnect success rate and caller satisfaction was up 15 percent. Virtual Hold was implemented on September 26, 2011.
    - *Scheduled Call Back* allows the Veteran to pick a date and time for VA to call them back. There is a 77-percent reconnect success rate and 18-percent acceptance rate. Scheduled Call Back was fully implemented on December 6, 2011.
    - *Customer Relationship Management/Unified Desktop (CRM/UD)* combines 13 systems into one database. CRM/UD improves call center representatives' ability to efficiently find accurate information for the Veteran. CRM/UD is scheduled to be implemented by the end of fiscal year 2012.
    - *Veteran Online Application Direct Connect (VDC)* provides standardized e-forms to facilitate electronic interviews. VDC reduces control time from 11 to 0 days. The standardized e-forms have the potential to save 32 cents to 37 cents per page.
- *eBenefits* is VA and DOD's online self-service portal that enables Veterans and Servicemembers access to benefits and services. User enrollment has increased from 250,000 in March 2011, to over 1.4 million as of the end of March 2012
- *Stakeholder Enterprise Portal (SEP) for VSOs and Physicians* facilitates stakeholder roles in the claims process in a secure environment with identity access tools. SEP has the potential to reduce control time from 11 days to 0 days.
- *Long-Term Solution (LTS)* is a fully automated education claims processing system. VA has issued five major releases of the LTS. We have seen a 51-percent improvement in original claims (56 to 29 days) and a 44-percent improvement in new enrollments (29 to 13 days).

VBA uses a number of criteria to select regional offices as pilot sites. These include proven station leadership and performance; adaptability to change; strong workforce partnerships; size of the regional office in regards to the capacity of the Veterans Benefits Management System; experience with one or more initiatives of the overall model to reduce risk; limited or no other national projects (such as Agent Orange/Nehmer processing) to reduce variables; size and location of station to test difference in organizational structure, workflow, and network support structure; and the impact to national production during the transition.

Question 6: A significant portion of VA's claims transformation efforts focus on the paperless benefits delivery system. However, there are millions of beneficiaries whose claims exist in a paper based environment. As the Department transitions to the paperless benefits delivery system, what is the plan to address existing paper based claims?

Response: VBA's Transformation Plan includes an strategy for conversion to a paperless system that provides a combination of scanning and electronic or web-based submission of documents. The transition to a paperless system may take an extended period of time as we continue to encourage Veterans, Servicemembers, their families, and their representatives to

take advantage of our web-based and electronic systems. As VBA pursues these advances and expands the ingest strategy, we will continue to process paper claims.

Question 7: Please provide the current performance standards for employees involved with the processing of claims.

Response: Please see attachments A, B, and C for current performance standards for Veterans Service Representatives (VSRs), Rating Veterans Service Representatives (RVSRs), and Decision Review Officers (DROs).

ATTACHMENT A:

NATIONAL PERFORMANCE PLAN
VETERANS SERVICE REPRESENTATIVE (VSR)

ELEMENT 1 – QUALITY (Critical)

The VSR must consistently and conscientiously exercise sound, equitable judgment in applying stated laws, regulations, policies and procedures to ensure accurate information is disseminated to veterans and accurate decisions are provided on all benefit claims administered by the Department of Veterans Affairs.

Standard

Quality of Work

Successful Level

GS-7: The accuracy rate during the evaluation period equals or exceeds 80% (cumulative)

GS-9: The accuracy rate during the evaluation period equals or exceeds 85% (cumulative)

GS-10: The accuracy rate during the evaluation period equals or exceeds 90% (cumulative)

GS-11: The accuracy rate for work produced during the evaluation period equals or exceeds 91% (cumulative)

Indicator

A random selection will be made of an average of 5 actions per month to include outputs, personal interviews, IRIS and congressional responses. Outputs selected will be reviewed prior to concurrence by a second signature to determine the accuracy of the originator.* The selection of actions, while random, must reflect an appropriate mix of work performed by the employee throughout the month (i.e. not from a single day or single week).

Only one error is counted per action reviewed (others may be tracked to assist with employee development). A checklist (Attachment A) to be used will mirror the STAR worksheet and will include a component on systems compliance, which will be considered a substantive error.

If a routine review of a VSR's work demonstrates the need for quality improvement (i.e. significant percentage of cases sent to the Rating Board are not ready to rate), an expanded sample of an average of 10 cases per month will be reviewed for quality purposes.

* Outputs reviewed for the GS-11 VSR should include claims authorized.

ELEMENT 2 – TIMELINESS (Critical)

Timely processing of veterans claims is of paramount importance, as it is highly correlated with customer satisfaction. The VSR will operate in an efficient manner to accurately finalize claims using all appropriate workload management tools and processes.

VSRs are responsible for the cycles/type of work respective to their assigned duties. If multiple timeliness sub-elements apply to a VSR (e.g. average days awaiting award, non-rating, and corrective actions) they must meet the fully successful level for all applicable sub-elements to be successful for the element.

Standard

Timeliness of Rating End Products (including EP 930 series)
Fully successful: All grade levels must meet locally established timeliness requirements, which are to be derived from end of year station targets.

The percentage of claims in each cycle pending over the locally established cycle goal must align with station goals for percentage of claims greater than 125 days. Goals are set by management for each station.

Cycle Times

a. Average Days Awaiting Development
b. Average Days Awaiting Evidence

c. Average Days Awaiting Award
d. Average Days Awaiting Authorization

Timeliness of Non-Rating & Control End Products (i.e. EPs 600, writeouts, 800 series)
Fully successful: All grade levels must meet locally established timeliness requirements, which should be derived from station targets.

Timeliness of Workload Management (includes rating and non-rating end products and VACOLS diaries)
Fully successful: All grade levels must manage their workload, including suspense dates, in accordance with locally established workload management plans. There will be no more than two instances where the VSR fails to show compliance with established workload management procedures.

Timeliness of Direct Services (i.e. IRIS, Congressional Inquiries, etc.)
Fully successful: All grade levels must meet locally established timeliness requirements, which should be derived from station targets. There will be no more than 5 instances where the VSR fails to meet established timeliness, or failure of employee to notify their supervisor when cases cannot be worked within established time frames and reasons thereof. Extenuating circumstances and notification to the employee's supervisor will be considered. An incident will not be called until after the first notification of non-compliance of the above standard.

Timeliness of Special Projects & Duties (i.e. Women Veterans Coordinators, AEW Project, etc.)
Fully successful: There will be no more than 3 instances of tasks not being worked within established time frames, or failure of employee to notify their supervisor when cases cannot be worked within established time frames and reasons thereof. Extenuating circumstances and notification to the employee's supervisor will be considered. An incident will not be called until after the first notification of non-compliance of the above standard.

Timeliness of Corrective Actions
Fully Successful: There will be no more than 3 instances of failure to complete a returned corrective action, or failure of employee to notify their supervisor when cases cannot be worked, within three days of the case being returned to them for correction. Extenuating circumstances and notification to the employee's supervisor will be considered. An incident will not be called until after the first notification of non-compliance of the above standard.

Indicators
- VETSNET Operations Reports
- Local Tracking Reports
- Supervisory Observation

ELEMENT 3 – OUTPUT (Critical)

Processes a minimum cumulative average number of outputs per day. Outputs are defined as actions that move a veteran's claim forward to the next step in the claims process. Outputs will be counted as follows:

- Initial development (rating EPs to include EP 930s and appeals) – **1**
- Initial development (non-rating EPs to include EP 600s) - **.7**
- Ready for decision – **1**
- Process award/decision (generate award, clear end product) - **.7**
- Authorize award - **.33**

Successful Level
GS-7: **4.5**
GS-9: **5**
GS-10: **5.5**
GS-11: **6**

Indicators
VOR
ASPEN

* Duplicate credit will not be allowed for self-correction of a VSR's error.
** Leave, union time, and special projects or assignments pre-approved at the discretion of the supervisor are considered deductible time. Unmeasured time, such as informal training, was considered in developing the successful level and is not reportable deductible time.

ELEMENT 4 – TRAINING (Critical)

VSR will stay abreast of current laws and regulations, work processes, policies and procedures and computer applications in order to provide optimum service to our veteran population.

Employees are encouraged to actively participate in self-developmental activities.

Performance for this standard will be mitigated when the VSR's supervisor has not allotted sufficient time for VSR to complete training requirements or if the VSR is not provided a schedule of available training and the deadline they are to complete.

It is the responsibility of supervisors to provide VSRs with a training schedule in advance so they can complete their training requirements.

Successful Level
GS-7/9/10/11: Timely completion of 80 hours of training during evaluation period. Completes mandatory training within assigned deadlines with no more than one violation during evaluation period.

Indicators
LMS
Supervisory Observation

ELEMENT 5 – Organizational Support (Non-critical)

Functions as a team member to enhance resolution of claims and customer service contacts by work actions. Maintains professional, positive, and helpful relationships with customers by exercising tact, diplomacy, and cooperation.

Performance demonstrates the ability to adjust to change or work pressures, to handle differences of opinion in a businesslike fashion, and to follow instructions conscientiously. As a team member, contributes to the group effort by supporting fellow teammates with technical expertise and open communications and by identifying problems and offering solutions. Performance also demonstrates the ability to effectively communicate in a courteous manner with customers during the personal or telephone interview process.

Successful Level
GS-7/9/10/11: No more than 3 instances of valid complaints or incidents. *

Indicator
Verbal and/or written feedback from internal and/or external customers. Observations by a supervisor with the complaint documented.

*A valid complaint or incident is one where a review by the supervisor, after considering both sides of the issue, reveals that the complaint/incident should have been handled more prudently and was not unduly aggravated by the complainant. Disagreeing, per se, does not constitute "discourtesy". Valid complaints or incidents will be determined by the supervisor and discussed with the employee.

ELEMENT 6 – COMMUNICATION TO CLAIMANTS (non-critical)

VSR provides information to veterans and claimants that is accurate, concise, and complete. This information may be in the form of notification letters, written correspondence to claimants (to include IRIS and congressional responses), Report of Contacts (VAF 21-0820), and other verbal communication with claimants such as personal interviews.

Successful Level

GS-7:	The accuracy rate during the evaluation period equals or exceeds 80% (cumulative)
GS-9:	The accuracy rate during the evaluation period equals or exceeds 85% (cumulative)
GS-10:	The accuracy rate during the evaluation period equals or exceeds 90% (cumulative)
GS-11:	The accuracy rate for work produced during the evaluation period equals or exceeds 91% (cumulative)

Indicator
Cases selected for review for Element 1 - Quality will also be reviewed for this element.

ATTACHMENT B

NATIONAL PERFORMANCE PLAN
JOURNEY-LEVEL RVSR

ELEMENT 1 – QUALITY OF WORK

The RVSR must consistently and conscientiously exercise sound, equitable judgment in applying stated policies to ensure accurate and timely decisions on compensation and pension benefit claims administered by the Department of Veterans Affairs.

SUCCESSFUL LEVEL: The rating decision accuracy rate during the evaluation period equals or exceeds 85%.

INDICATORS: A random selection will be made of an average of five cases per month per employee. The cases selected will be reviewed prior to concurrence by a second signature to determine the accuracy of the originator of the decision. Only one error is counted per case reviewed. The errors will be called using the applicable categories identified on the STAR Checklist for Rating.

ELEMENT 2 – PRODUCTIVITY

Processes a minimum cumulative average number of weighted cases per day. Cases will be counted for production purposes as follows:

½ case = all formal ratings not listed below regardless of the number of issues rated
1 case = 110, 020, 165, SOC, SSOC with less than 8 issues rated
2 cases = 010, 020, 165, SOC, SSOC with 8-15 issues rated
3 cases – 16-23 issues rated; 4 cases = 24-31 issues rated, etc.

SUCCESSFUL LEVEL: 3.5 weighted cases per eight-hour day (cumulative), effective February 18, 2007

INDICATORS: Production reports

*Leave, union time, special projects or assignments pre-approved at the discretion of the supervisor, and 2nd signature review (of trainees only) are considered deductible time.

Note: On a monthly basis, local management will validate a sample of completed cases recorded by individual RVSR to ensure accurate reporting.

ELEMENT 3 – CUSTOMER SERVICE

Functions as a team member to enhance resolution of claims and customer service contacts by work actions. Maintains professional, positive, and helpful relationships with internal/external customers by exercising tact, diplomacy, and cooperation.

Performance demonstrates the ability to adjust to change or work pressures, to handle differences of opinion in a businesslike fashion, and to follow instructions conscientiously. As a team member, contributes to the group effort by supporting fellow teammates with technical expertise and open communications and by identifying problems and offering solutions. Successful achievement in this element reflects support of all scorecard goals.

SUCCESSFUL LEVEL: No more than 3 instances of valid complaints or incidents. *

INDICATOR: Verbal and/or written feedback from internal and/or external customers. Observations by a manager with a complaint documented.

*A valid complaint or incident is one where a review by the supervisor, after considering both sides of the issue, reveals that the complaint/incident should have been handled more prudently and was not unduly aggravated by the complainant. Disagreeing, per se, does not constitute "discourtesy". Valid complaints or incidents will be determined by the supervisor and discussed with the employee.

ATTACHMENT C

PERFORMANCE PLAN DRO

ELEMENT 1 – QUALITY OF WORK

The DRO must consistently and conscientiously exercise sound, equitable judgment in applying stated policies to ensure accurate and timely decisions on compensation and pension benefit claims administered by the Department of Veterans Affairs.

SUCCESSFUL LEVEL: Accuracy rate during the evaluation period equals or exceeds 90%.

INDICATORS: An unbiased selection will be made of an average of five cases per month per employee. The cases selected will be reviewed [prior to concurrence by a second signature, if applicable] to determine the accuracy of the originator of the decision. Only one error is counted per case reviewed. The errors will be called using the categories identified on Attachment 1.

ELEMENT 2 – PRODUCTIVITY

Processes a minimum cumulative average number of 3 weighted cases per day. Cases will be counted for production purposes as follows:

- ½ case = deferred/supplemental development actions when no other action listed below is possible. This excludes sending/preparing a DRO election letter. This credit is not limited to formal appeal cases and can include any case for which substantive review and deferred/development by a DRO is appropriate.
- ½ case = Informal conference held; case certified to BVA; preparation time for a hearing; formal hearing held (the 1/2 case for preparing for a hearing should be reported separately from the 1/2 case awarded for holding a formal hearing).
- 1 case = SOC, SSOC or DRO decision (includes EPs 172/174/070) with less than 8 issues decided.
- 2 cases = SOC, SSOC or DRO Decision with 8-15 issues decided.
- 3 cases = 16-23 issues rated; 4 cases = 24-31 issues decided, etc.

Note:

1. Only one type of case credit can be taken at a time. For example, if a DRO does a separate SOC and a rating, only one credit would be taken. The credit with the greater weight should always be used. If separate decisions combine to eight or more issues, this can be combined and 2 case credits taken.

2. The ½ case development credit may apply to cases where an NOD has not been filed. To be applicable, the cases must have already had a decision made on them, and brought to the DRO's attention because of some conflict with the facts or law as applied in the case. This would also apply to any cases assigned to the DRO by VSC management based on the complexity/sensitivity of the case. This credit does not apply to routine rating development cases and, again, can only be claimed exclusive of any other weighted action listed above.

3. The case credit review for an SOC [EP 172 or 174] should be taken per the parameters in M21-4 Appendix C. Concerning formal hearings (EP 174), a full case credit is only available if the formal hearing is actually held; otherwise, the only credit available is the 1/2 case for preparation time, if applicable.

4. The term "DRO decision" is defined as any rating related to an appeal where the DRO has made a favorable decision requiring some type of award action. Separate DRO decision and rating decision documents for the same issue are not required.

5. Weighted case credit for non-appeal cases is the same as the RVSR weights.

SUCCESSFUL LEVEL: 3 weighted cases per day (cumulative)

INDICATORS: Production reports

* Leave, union time, special projects or assignments pre-approved at the discretion of the supervisor, and 2nd signature reviews (of trainees only) are considered deductible time.

ELEMENT 3 – CUSTOMER SERVICE

Functions as a team member to enhance resolution of claims and customer service contacts by work actions. Maintains professional, positive, and helpful relationships with internal/external customers by exercising tact, diplomacy, and cooperation.

Performance demonstrates the ability to adjust to change or work pressures, to handle differences of opinion in a businesslike fashion, and to follow instructions conscientiously. As a team member, contributes to the group effort by supporting fellow teammates with technical expertise and open communications and by identifying problems and offering solutions. Successful achievement in this element reflects support of all scorecard goals.

SUCCESSFUL LEVEL: No more than 3 instances of valid complaints or incidents.

INDICATOR: Verbal and/or written feedback from internal and/or external customers. Observations by a manager with the complaint documented.

A valid complaint or incident is one where a review by the supervisor, after considering both sides of the issue, reveals that the complaint/incident should have been handled more prudently and was not unduly aggravated by the complainant. Disagreeing, per se, does not constitute "discourtesy". Valid complaints or incidents will be determined by the supervisor and discussed with the employee.

ELEMENT 4 – TIMELINESS

Works in a manner that supports and contributes to meeting established VBA timeliness requirements.

At present the timeliness element is not officially measured. Methods are currently being discussed concerning accurate and equitable ways to measure appeals timeliness. At that time, this element will be revisited.

ATTACHMENT 1

Were all claimed issues addressed?

Were all inferred issues addressed?

Were all ancillary issues addressed?

Was effort to obtain all indicated evidence documented?

Was requested VA exam necessary & appropriate or was a necessary exam requested?

Was all evidence received prior to denying claim?

Was the grant or denial of all issues correct?

Were there percentage evaluations assigned correct?

Was the combined evaluation correct?

Were the effective dates correct?

Was all of the applicable evidence discussed?

Was the basis of each decision explained?

(Resuming with Question 8 next)

Question 8: In March 2011, VA indicated that the Loan Guaranty Service was working with the Office of Tribal Government Relations to draft a new Native American Direct Loan program policy manual. Please provide a copy of the new manual.

Response: The Native American Direct Loan (NADL) manual is not yet complete. It is pending the development of coordinated outreach protocol between two programs within VA. A critical piece of the NADL program is outreach. The VA Home Loan program is working to coordinate outreach strategies with the new Office of Tribal Government Relations (OTGR), leveraging common materials, networks, and activities wherever possible. Recently, the Home Loan program senior managers participated in the Department's first-ever Tribal consultation on matters of concern to Tribal nations with regard to their Veteran members. This was the first of a series of four meetings, and the agendas were published in the Federal Register on March 19, 2012. In this Register notice, VA specifically indicated that tribal input is sought on recommendations for increasing awareness and utilization of the NADL program. VA's Home Loan program will continue participation in the remaining sessions. The feedback and results from these sessions will provide OTGR and the Home Loan program the necessary tools to craft effective outreach protocols. Once outreach is integrated with OTGR, the Home Loan program will craft metrics to gauge its outreach performance and include those metrics in the final draft of the new NADL manual.

JOINT VA/DOD PROGRAMS

Question 9: Section 1631 of the Wounded Warrior Act (title XVI of Public Law 110-181), provides VA with the authority to provide rehabilitation and vocational benefits to members of the Armed Forces with severe injuries or illnesses. In order to make more effective use of this authority in FY13, how does VR&E plan to improve its relationship with DOD to encourage the referral of eligible servicemembers?

Response: VA is collaborating with the Department of Defense (DOD) to effectively implement Section 1631 of the Wounded Warrior Act. A national memorandum of understanding was signed on February 3, 2012, by VA's Under Secretary for Benefits and DOD's Under Secretary of Defense, which directs local military installation commanders to mandate an appointment with a Vocational Rehabilitation Counselor (VRC) for every Servicemember referred to the Physical Evaluation Board. VA will add 110 VRCs at military installations with the Integrated Disability Evaluation System in FY 2012, and funds to support an additional 90 VRCs have been requested in the FY 2013 budget. VA anticipates that these additional resources will help eligible Active Duty Servicemembers make informed choices about how to best utilize VR&E or Post-9/11 GI Bill benefits as Veterans, resulting in increased career employment outcomes. The presence of these counselors at military installations will e-assist DOD in referring eligible Servicemembers to the program.

Question 10: Given DOD's requirement to utilize the VA Schedule for Rating Disabilities in making a determination of disability in the Integrated Disability Evaluation System, what actions has VA taken to improve DOD's understanding and application of VA's rating schedule?

Response: VBA's subject matter experts have provided training on the VA Schedule for Rating Disabilities (VASRD) to DOD staff several times per year since 2009. This training consists of a five-consecutive-day course on the application of the VASRD. The attendees are members of the DOD and the Coast Guard's Physical Evaluation Board (PEB) who provide a rating for Servicemembers. Members of the Board for Correction of Military Records, the Board for Correction of Naval Records, and the Physical Disability Board of Review (appeals boards) also attend this training. DOD is responsible for requesting the training, soliciting attendees, providing continuing education credits to the attendees, and securing the training location. The DOD staff primarily consists of active duty physicians and a few line officers who assign evaluation percentages for disabilities at the service PEBs and appeals boards. VBA provides DOD participants with a copy of the VASRD training manual and a student training guide that is modified to cover only topics relevant to the PEB process. VBA conducted five-day courses during the following months:

- October 2011
- January 2011
- August 2010

- July 2010
- January 2010
- August 2009

The next VASRD training session is scheduled for the week of June 11, 2012. Additionally, DOD staff members contact VBA's policy and training staff by email and phone on a regular basis for guidance in evaluating specific cases and clarification of general VASRD issues.

CONSTRUCTION

Question 11: Please provide a list of priority weights for the major criteria and subcriteria used to inform the FY2013 Strategic Capital Investment Plan decision plan.

Response:

FY 2013 Decision Criteria and Priority Weights			
Major Criteria	**Priority Weight**	**Sub-Criteria**	**Priority Weight**
Improve Safety and Security	**.324**		
		Seismic	.437
		Safety and Compliance (excludes Seismic)	.345
		Security and Emergency Preparedness	.218
Departmental Initiatives	**.216**		
		Major Initiatives	.543
		Supporting Initiatives	.289
		DOD Collaboration	.094
		Energy Standards	.074
Fixing What We Have	**.200**		
		Reduce Facility Condition Assessment Deficiencies	.775
		Other Gaps (includes parking, functional and self-defined gaps)	.225
Increasing Access	**.155**		
		Utilization	.377
		Client (Veteran) Access to Services	.296
		Customer (Internal) Access to Services	.152
		Wait Times	.108
		Support Structures	.067
Right Sizing Inventory	**.057**		
		Space – New Construction/Renovation/Lease	.560
		Space – Collocation	.229
		Space – Disposal/Reuse	.118
		Space - Telework	.093
Ensure Value of Investment	**.048**		
		Best Value Solution	.657
		Maximize Efficiencies	.343

Question 12: The Committee has heard from facilities expressing a need for minor construction or non-recurring maintenance funding to modify clinic layouts, in order to fully implement the Patient Aligned Care Team (PACT) model. Please provide a list of projects, including costs, for any construction related to the implementation of the PACT model nationwide.

Response: The table below includes the list of projects, including costs, planned for FY 2012 and FY 2013 for construction and non-recurring maintenance related to the Implementation of the PACT model.

VISN	Location		Project Title/Brief Description	Estimated Budget Cost	Type
FY12 Planned					
20	Vancouver	WA	Build Primary Care Clinic	$9,300	Minor
23	Sioux Falls	SD	Build Primary Care Addition	$3,149	Minor

FY13 Planned					
1	Newington	CT	Expand Primary Care Clinic	$9,850	Minor
4	Philadelphia	PA	Renovate Primary Care Clinic - Patient Aligned Care Team (PACT)	$1,947	NRM
6	Hampton	VA	Construct 2nd Floor Addition on Building 110B for Specialty and Primary Care	$9,974	Minor
7	Atlanta	GA	Construct Primary/Urgent Care Addition	$9,999	Minor
8	Tampa	FL	Construct New Mental Health Clinic, 80 Bed Domiciliary, and Primary Care Clinic	$9,125	Minor
18	Amarillo	TX	Construct Primary Care Clinic	$9,988	Minor
18	Tucson	AZ	Expand Clinics for Patient Aligned Care Teams (Phase 1)	$9,762	Minor
20	White City	OR	Renovate Building 201 for Primary Care	$3,900	NRM

Question 13: Please explain the $32 million decrease in requested funding for asbestos abatement.

Response: Funding from the Asbestos and Other Airborne Contaminates line item is used when asbestos health hazards have been identified and evaluated in association with a construction project. Disturbance of asbestos during construction will require costly precautions to avoid hazards. Asbestos will be abated in the most cost-effective manner. In FY 2012, asbestos funding was requested to primarily support two projects – San Juan, Seismic Corrections Building 1 and Bay Pines, Outpatient Improvement project. These projects require approximately $60M for asbestos abatement. The FY 2012 request along with balances remaining in the line item will support the requirement. The FY 2013 request for asbestos abatement funds was based on requirements for on-going projects and maintaining an adequate balance for any unforeseen requirements.

Question 14: The FY13 budget requests $2 million to contract for the services of a claims analyst. Please provide the rationale for this decision, including any cost-benefit analysis that may have been done in order to evaluate whether to keep this function in-house or to contract for it. Please also share how many contractor claims were made on VA construction projects between FY09 and FY11.

Response: The claims analysis line item is used when construction contractors submit claims against VA because they believe that VA owes them more than what was settled when a change was made to the original contract. VA has experienced a steady increase in the size and scope of its major construction program and has several high value, high visibility projects underway. The magnitude and complexity of these projects increase the possibility of claims and the need to adjudicate them. The funds in the Claims Analysis line item are used to contract for independent analysis of VA's potential liability on claims, assistance with documentation to aid VA's legal counsel in developing its case, and expert witness services in defense of VA. VA does not have the expertise in house to defend claims given the relatively small number over the last several years. VA last requested funding for Claims Analysis in FY 2009. VA requested additional funding in the FY 2013 budget to ensure expedient adjudication of potential claims. VA had 5 contractor claims on projects between 2009 and 2011.

Question 15: Please explain the decision-making criteria that VA uses to decide whether to implement energy/green management investments, including any return on investment criteria that may be used.

Response: The Energy Independence and Security Act (EISA) of 2007 increased the requirements on Federal agencies as initially mandated in the Energy Policy Act of 2005. Specifically, EISA, mandated environmental and fleet management improvements, and imposed significant new requirements in the areas of energy efficiency and sustainable buildings.

In order to meet new and existing requirements and provide more efficient, healthier and environmentally friendly environments for Veterans and their families, VA has been investing in

energy and water system improvements, renewable energy system installations, and is implementing and practicing sustainable building principles. We constantly strive to find new ways to manage energy costs.

VA considers the following factors in its energy/green management investment decisions:

a. Supporting the VA mission: The average age for VA facilities is more than 50 years old. As a consequence, the energy and water infrastructure in many facilities needs to be upgraded and modernized to be fully functional and best support VA's mission. Energy and water efficiency projects contribute directly to improved functionality and operational efficiency of building subsystems.

b. Cost efficiency: Energy and water infrastructure improvements and renewable energy investments create future utility cost savings that VA can redirect to caring for Veterans. In addition, these investments improve the reliability and functionality of VA's infrastructure to ensure water, electricity, steam and hot water are available to VA facilities. VA conducts detailed feasibility studies and uses these studies as a basis for evaluating and selecting investments. VA uses technical feasibility and economic analyses to inform energy/green management investment decisions.

c. Meeting statutory requirements: VA selects sites and projects that can provide necessary levels of improvement in the performance metrics related to the Energy Policy Act of 2005 and EISA requirements. Key performance metrics include energy and water intensity, use of renewably generated electricity, installation of building-level metering systems, and incorporation of sustainable design principles.

d. Improving VA sustainability: VA strives to improve the condition of facilities in which Veterans visit and stay. Facility condition includes indoor air quality, thermal comfort, infection control, health, safety, and many other conditions impacting Veterans. VA takes into consideration the extent to which proposed energy/green management projects improve sustainability. VA uses sustainable building survey instruments to understand which investments (as well as low- and no-cost measures) will lead to improved facility conditions.

e. Enhancing energy security: VA also considers enhanced energy security in its decision making. By reducing energy consumption and generating energy from renewable sources, VA facilities reduce their dependence on imported energy sources. Installing energy systems that run on renewable fuels adds a level of energy security because dependence on traditional fuels and traditional fuel supply sources is reduced. This helps facilities ensure fuel supply as well as manage energy costs.

Question 16: Please explain the decrease in the amount of funding requested for facility activations in FY13.

Response: The activation requirements are phased prior to the completion of the specific projects. The difference in the amounts for FY 2012 and FY 2013 is a function of the variation in this phasing.

Question 17: Please provide an update on the amounts of bid savings achieved for each major medical facility construction project and how VA plans to obligate them.

Response: Currently, VA has bid savings in the amount of $4.029 million on one project - the Phase 4 Gravesite Expansion at Indiantown Gap, PA. Additional bid savings are expected on the Cemetery Expansion at Tahoma, WA, pending the outcome of a bid protest. Previous bid savings on other projects have been transferred to support the FY 2012 Program Level funding for Major Construction projects, as reflected in the FY 2013 Budget Volume 4 appendices, pages 58-63 and 102-105.

Question 18: In response, to a pre-hearing question on the Real Property Cost Savings and Innovation Plan, VA identified $48 million in savings that has already been achieved through the first quarter of FY12. Please provide further detail on each project that has contributed to these savings, including:

a. the initial cost to undertake the project

Response: Initial costs would be considered start up costs, specific to these initiatives, to allow for the savings to be realized. Initial costs to undertake the Real Property Cost Savings and Innovation plan initiatives are estimated as follows:

- Repurpose Underutilized Assets: None. Staff overhead is general program costs, not specific to this initiative, and is already in place.
- Demolition or Mothballing: Demolition costs to execute these actions are included within the Medical Facilities budget. No additional resources were necessary.
- Energy Savings and Sustainability: None. Staff overhead is general program costs, not specific to this initiative, and is already in place.
- Improved Non-Recurring Maintenance: Cost of increasing VA contracting staff estimated at $2 million per year. This cost is netted out in the calculation of cost savings from improved contracting for non-recurring maintenance.
- Reduction in Leasing: None. These are basic contract actions completed with normal staff overhead that was already in place.

b. the amount, to date, that has been saved in FY12; and
c. any estimated savings for the remainder of FY12 (if applicable).

Response: For parts b and c of the question, please find further detail on estimated savings from each initiative below as of June 2012:

VA Cost Savings Initiatives (VHA Only)	Total Savings Achieved by Initiative (through Q1 2012)	Projected			Total Savings Projected by Initiative
		Q2 2012	Q3 2012	Q4 2012	
		Jan 1 - Mar 31, 2012	Apr 1 - Jun 30, 2012	Jul 1 - Sep 30, 2012	
Repurpose Underutilized Assets	$ 3,007,681	$ 1,007,681	$ 1,007,681	$ 1,007,681	$ 6,030,722
Demolition or Mothballing	$ 910,730	$ 366,667	$ 366,667	$ 366,667	$ 2,010,730
Energy Savings and Sustainability	$ 40,346,992	$ 9,090,013	$ 10,097,100	$ 10,188,360	$ 69,722,465
Improved Non-Recurring Maintenance Contracting	$ 2,377,250	$ 1,843,250	$ 1,843,250	$ 1,843,250	$ 7,907,000
Reduction in Leasing	$ 6,101,000	$ 964,611	$ 1,019,833	$ 1,019,833	$ 9,105,276
Subtotal (Savings by Quarter)	**$ 52,743,653**	$ 13,272,221	$ 14,334,529	$ 14,425,790	**$ 94,776,193**

Question 19: VA's Enhanced-Use Lease authority expired on December 31, 2011. Please describe how the Department will improve oversight and management of EULs, and address the concerns of the Office of Inspector General in Audit of the Enhanced-Use Lease Program, 11-00002-74, February 29, 2012.

Response: The Department concurs with the Office of Inspector General (OIG) finding that the Enhanced-Use Lease (EUL) program could benefit from additional process, monitoring, and reporting enhancements. Moreover, we concur with the OIG's recommendations on improving the EUL process and procedures. We have already undertaken many efforts to improve program operations prior to and during the time of the audit. The table below outlines some of VA's efforts to address the six specific OIG recommendations and general program oversight. These efforts and our commitment to continual improvement are ongoing.

OIG Recommendation	Key Actions
1) Establish standards to ensure complete lease agreements are negotiated in line with the Department's strategic goals.	• Create EUL Project Scorecards with performance metrics based on VA's strategic goals to ensure Portfolio Managers (PMs), throughout the EUL process, negotiate EUL projects in line with the VA's strategic goals • Create a Checklist of Key EUL Project Documents that will be required to be maintained by PMs throughout EUL formulation and execution phase
2) Institute adequate policies and procedures to govern activities such as monitoring EUL projects and calculating, classifying, and reporting on EUL benefits and expenses	• Issue guidance for the oversight and monitoring of the EUL portfolio during the post-transaction stage of the EU lease, including defining roles and responsibilities of EUL stakeholders (new handbook/directive is awaiting final signature) • Develop a new and improved set of tools to assist in the on-going oversight of EULs, including improved collaboration with on-site resources, model based payment and program benefits/outcomes, and recurring compliance tracking
3) Recalculate and update EUL expenses and benefits previously reported in the Annual Consideration Report.	• Review and improve EUL calculations used to report expenses and benefits • Create a comprehensive methodology for reporting program outcomes • Create individual Program Outcomes Tracking Sheet for each EUL to calculate program outcomes to ensure consistency across projects. • Work with subject matter experts in program areas to ensure data collected and rates utilized in these calculations are being used correctly
4) Establish oversight mechanisms to ensure major EUL project decisions are documented and maintained in accordance with policy.	• Finalize OAEM Records Management System and ensure major EUL project decisions are documented and maintained • OAEM Records Management System will include guidance for the EUL portfolio and outline how OAEM and the PMs will organize and store EUL documents
5) Establish criteria to measure timeliness and performance in EUL project development and execution	• Issue a policy statement on the method for tracking projects on the EUL project list • Develop a Timeline Matrix tool to systematically track EUL project progression and the length of time an EUL project takes to complete specific phases • Establish criteria for when EUL stakeholders must reevaluate project viability

6) Establish criteria and guidelines for assessing projects to determine whether they remain viable candidates for the EUL program	• Draft Procedures for Reviewing and Checking Validity of Continuing with a Project and for reassessing projects on the EUL project list • Develop criteria and guidance for removing projects from the EUL project list based on the timeliness and performance of the project during the formulation and execution phases

VA also notes the achievements and benefits the EUL program has delivered to Veterans and their families or the Department over the past 20 years. The EUL program has been instrumental in delivering services to Veterans through its unique, non-conventional authority to enter into long-term public/private partnerships consistent with VA's mission. As part of the EUL program, VA launched the Building Utilization Review and Repurposing (BURR) initiative in 2009 to help end Veteran homelessness by reusing VA land and buildings. An estimated total of 5,400 units of affordable and supportive housing are under development as a result of the BURR initiative and VA's EUL program. Through December 2011, EUL projects have benefitted VA through the repurposing or disposal of approximately 6 million gross square feet and 1,000 acres of land at VA sites across the country.

WOMEN VETERANS

Question 20: VA's FY13 budget submission states that VA is developing an automated sexual assault reporting process under a fast track process. Please describe the automated process, and provide information on how and when it will be piloted.

Response: Significant actions have been taken across VHA to improve the reporting and prevention of sexual assaults. All Veterans Integrated Service Networks (VISN) have action plans in place to improve physical security requirements. Networks are submitting regular progress reports on implementation of those plans. In addition, comprehensive staff education has occurred on how to report and prevent sexual assaults. Preliminary data from the first two quarters of FY 2012 indicates a trending downward between the first and second quarters in FY 2012 in the total number of events occurring in VHA facilities. This is despite improvements in reporting, and data validation against information contained within the Office of Security and Law Enforcement's databases.

VA has developed an issue brief tracking system which tracks reports of sexual assaults submitted from all facilities within the system. This issue brief tracking system was piloted between July and September, 2011, and was deployed nationwide on October 1, 2011. It allows VA to track sexual assault reports by VISN and to address these incidents with leadership. As part of the pilot, quarterly reports of these assaults are being created and supplied to VHA leadership. VHA is also correlating these reports with information from the Office of Security and Law Enforcement to ensure the accuracy of data entered by field personnel, and appropriate reporting to VA police.

Question 21: VA's FY13 budget submission includes a $60 million increase in funding to provide health care to women veterans. Please describe how VA plans to utilize this funding, including how much will be spent to expand access to gender specific health care services and staff trainings to be more inclusive to women veterans.

Response: The number of women Veterans seeking healthcare has grown rapidly and it will continue to grow as more women enter military service. Women comprise nearly 15 percent of today's active duty military forces and 18 percent of National Guard and Reserves. In the Budget process, VA identifies health care costs that are specific to women, including screening (i.e. breast and cervical), cancer treatment (i.e. breast, cervical and other gynecologic), and other reproductive health care, including general and specialty gynecological care, infertility treatment, maternity care and newborn services. The estimates for each type of care include personnel costs associated with the care, which account for approximately 47 percent or $188 Million of the $403 Million FY 2013 total gender-specific cost estimate. This is an increase of $60 Million over the FY 2012 level of $343 Million.

VA projects an increasing number of women Veterans using VA health care. As VA is enhancing comprehensive primary care delivery to women Veterans, it is expected that

providers will identify, treat and refer more often for gender-specific conditions. In addition, VA continues to work on construction and space modification initiatives to ensure Women Veterans' privacy concerns are being met. Since FY 2010, VA has trained over 1,200 providers in women's health, and now has designated women's health providers at every medical center and at 60 percent of community based outpatient clinics (CBOCs). In addition, VA has staffed 144 full-time Women Veterans Program Managers (WVPMs) at VA facilities nationwide. VHA plans to continue to deploy and enhance training to support the goal of ensuring every site of care has a minimum of one trained Women's Health Provider. Going forward, VHA will continue to assess the demand for gender specific health care services in order to make any necessary adjustments within the delivery system.

OPERATIONAL EFFICIENCIES

Question 22: GAO recently released findings that raise serious questions about savings VA is counting on from operational improvements. This is not the first time the Department has been criticized for its budgeting with respect to operational improvements. In this year's budget, VA is counting on nearly $1.29 billion in savings from similar operational improvements for FY13 and $1.33 billion for the next fiscal year.

a. What is the Department's contingency plan if these savings are not realized?

Response: We are confident that the savings will be realized. Based on current fund allocations of the available appropriations there is no indication of a need for a contingency plan.

b. How will the Department ensure that medical centers and other VA operations have enough funding throughout the year?

Response: The Department will ensure that medical centers and other VA operations have sufficient funding throughout the year by closely monitoring the monthly budget execution of appropriation allocations. Current information and projections indicate that sufficient funding is available.

Question 23: Despite not achieving Medical Care Collections Fund (MCCF) estimated targets since FY09, the Department's FY13 budget continues to estimate growth in the MCCF even when the current year's estimate will fall below the amount of collections recovered in FY09. Understanding that the MCCF provides the Department additional resources outside of the three distinct medical accounts, please clarify how the Department makes resource adjustments when MCCF revenues fall short of target collection amount.

Response: When revenue estimates fall short as in FY 2013 ($3.291 billion in the FY 2012 President's Submission versus $2.966 billion in the FY 2013 President's Submission, a difference of $325 million), VA considers multiple options for making resource adjustments, such as re-evaluating program requirements and the use of unobligated balances.

Question 24: The Fee Care Savings initiative proposed under Operational Improvements is projected to generate $400 million in savings over the next two years through several component initiatives. Please provide the level of funding dedicated to electronic improvements identified in the Fee Care Savings initiative, to include a timeline for full implementation of the component initiatives.

Response: The Fee Care Savings initiatives included two areas where automation changes were introduced including re-pricing transactions and improved reports for revenue generation. Both were considered part of our overall product licensing and did not incur additional technology costs. The re-pricing initiative was completed and deployed in FY 2011. The improved reports for revenue generation are currently in process with expected delivery in Q1 FY 2013.

Question 25: In addition to the operational improvement initiatives, what other steps is VA taking to identify facilities that spend significantly more than the average on staffing and operational costs? What is the Department doing to reduce these costs when appropriate?

Please provide more details regarding this analysis, including the amount of cost savings the Department is anticipating.

Response: VHA is monitoring the monthly execution of the 21 networks. Each network is responsible for monitoring and overseeing the budget execution of its medical facilities and the relative amounts spent on staffing and operational costs. The Department is committed to achieving the savings identified in the President's Budget ($1.237 billion in FY2012, $1.284 billion in FY 2013, and $1.328 billion in FY 2014).

Question 26: What steps has VA taken to implement Executive Order 13589 in order to reduce wasteful spending?

Response: VA developed reduction targets totaling $173.4 million which were submitted to the Office of Management and Budget (OMB) in December 2011, and subsequently approved. Administrations and staff offices provided plans showing how they will achieve their targets across the seven categories and where their redirected money will be spent.

a. How much has the Department saved so far?

Response: In VA's quarter 1 report to OMB on March 1, 2012, VA reported actual spending of $256.3 million less than the target spend for that quarter. VA monitors actual spend monthly.

b. What effects, if any, on delivery of health care and other services have resulted from reductions in employee travel?

Response: Travel can be and is an important part of the delivery, execution, or training for the provision of care and services that VA provides Veterans. That said, to date, VA is not aware of any negative effects related to the care and services that VA provides based on reductions in employee travel as required by Executive Order 13589.

c. Explain the rationale for allowing advisory committees to hold meetings at expensive hotels while VA or other government facilities are close at hand?

Response: Advisory committees are governed by Public Law 92-462, the Federal Advisory Committee Act (FACA) 5 U.S.C. App. The regulations (41 C.F.R. § 102-3.95(a)) implementing the FACA explain principles that apply to the management of advisory committees to "provide adequate support." Agencies should identify requirements and assure that adequate resources are available to support anticipated activities. Considerations related to support include office space, necessary supplies and equipment, Federal staff support, and access to key decision makers.

The regulation explains what policies apply to advisory committee meetings. The agency head is required to ensure that "each advisory committee meeting is held at a reasonable time and in a manner or place that is reasonably accessible to the public." 41 C.F.R. § 102-3.140(a). Also, the agency head must ensure that the meeting room or other forum selected is sufficient to accommodate advisory committee members, advisory committee or agency staff, and a reasonable number of interested members of the public." 41 C.F.R. § 102-3.140(b).

VA does not hold meetings at hotels while VA or government facilities are close at hand. Our policy is to hold advisory committee meetings at VA or other government facilities wherever feasible. We apply judgment in deciding venues based on accommodating public access, size of anticipated meetings, need for breakout rooms, and access to transportation to a government facility.

As of May 2012, in fiscal year 2012, over half the meetings were held in VA or other government facilities, and a quarter were not held in VA facilities due to the need for breakout rooms. The remaining meetings were done offsite because of distance to a VA facility or to accommodate expected public attendance at first meeting. In the cases where a VA facility was not used, discounts or waivers were provided by the hotel or facility for meeting space, audio visual equipment, and phone lines/WiFi internet. Additionally, room rates were below the General Services Administration per diem rate.

Question 27: What, if any, capability does the Department have to evaluate the efficiency of business processes in offices or medical centers? If such capability exists, what actions have been taken over the course of the last year?

Response: The VHA's Chief Business Office (CBO) and Consolidated Patient Account Centers (CPAC) have several mechanisms in place to evaluate the efficiency of business processes. CPAC utilizes workflow and business intelligence collection, analysis and reporting tools to evaluate performance metrics on a routine basis. When routine analysis reveals performance issues, relevant business processes are evaluated and adjusted/redesigned as appropriate. Over the last year, CPAC's use of these tools to analyze and modify business processes has resulted in significant improvement in industry standard performance measures such as Days-to-Bill and accounts receivable over 90 days. CPAC also maintains a comprehensive Quality Assurance program to ensure minimal variation between business process inputs and outputs. As part of the program, high priority business processes are reviewed on a regular basis and modified as necessary when unacceptable variance is detected.

CBO has also implemented a robust performance monitoring framework to evaluate the effectiveness of Non VA Care (Fee) billing procedures. For this effort, analysts regularly monitor dashboards and performance metrics to determine whether current procedures are producing desired results. When performance issues are detected, Fee billing procedures are thoroughly analyzed and adjusted as necessary. As of March 2012, performance analysis indicates that Fee business processes are operating efficiently.
The CBO's Purchased Care Program, the entity managing VA's health care payer services, also has multiple efforts both in place or planned to assure efficient business processes are in place to positively impact programmatic area. For example, the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) Program has developed a robust set of industry standard performance indicators, providing leadership a view into current performance as well as future outcomes. These indicators, analyzed and reviewed on a monthly basis, document positive programmatic outcomes. The program recently received a three year URAC (formerly called the Utilization Review Accreditation Commission) accreditation, evidence of effective business practices.

In other payer programs such as the Non-VA Care Program, the CBO has a relationship with VHA's Veterans Engineering Resource Centers (VERC) which provide unique system redesign focus to our business practices. These joint efforts have resulted in development of streamlined and standardized business practices for the initial decision points, monitoring and management of Non-VA Care. These standardized business practices are currently being deployed across all VA health care facilities.

Question 28: Please detail the mechanisms in place for oversight of awarding SES performance bonuses. How confident is the Department in the integrity and efficacy of this process?

Response: VA needs the best and brightest leaders to continue to serve our Nation's Veterans. To attract and retain the best leaders, VA uses all the tools available including performance awards to recognize our highest performers.
VA's executive performance management program is sound. In the fiscal years (FY) 2009 and 2010, the Department made significant program management improvements to ensure the program is credible, transparent, and consistent with law and regulation. VA implemented additional changes in fiscal year (FY) 2011 and is leveraging the Office of Personnel Management's (OPM) new government-wide system to achieve further improvements in FY 2012.

In the past, VA's Performance Review Board (PRB) process, through which executive performance results are assessed, was decentralized. We now have one centralized VA PRB that serves the entire Department to recommend performance ratings and awards for the Secretary's consideration. VA will continue to use this rigorous PRB process in the future.

Per established procedures, each year, before executive performance award recommendations are forwarded for the Secretary's decision, a final check is done with VA's

Office of Inspector General and Office of General Counsel to determine if there are any ongoing investigations or audits that may reflect unfavorably on the executives. Throughout the Department, we have communicated the requirement to make meaningful distinctions in performance, as required for certification of our Senior Executive Service (SES) appraisal system, and have been successful in achieving greater distinctions. In 2010, VA provided comprehensive performance management training for executives across the Department to ensure all understood the program and had an opportunity to express their concerns. Senior leadership is fully engaged in this program.

SES performance awards are the culmination of VA's rigorous performance appraisal process. OPM, with concurrence from the Office of Management and Budget (OMB), has certified, under provisions of 5 U.S.C. 5307(d)(2), that VA has a performance appraisal system that, as designed and applied, makes meaningful distinctions in performance. In a joint memorandum dated June 10, 2011, OPM and OMB provided guidance regarding budgetary limitations on awards, including SES performance awards, for Fiscal Years 2011 and 2012. Before the budgetary restrictions were imposed, 5 U.S.C. Section 5384 already limited expenditures for Career SES awards. The aggregate amount of performance awards paid could not exceed 10 percent of the aggregate amount of basic pay paid to Career executives in VA during the preceding FY or 20 percent of the average of the annual rates of basic pay paid to career appointees in such agency during the preceding fiscal year. Over three previous years, VA allocated less than the 10 percent of aggregate pay: for FY 2008 performance, 9 percent; FY 2009, 8 percent; and FY 2010, 7 percent, and the same percentages for SES-equivalent title 38 awards. The 5 percent limit on awards expenditures, which VA applied to FY 2011 awards, acknowledged the need for restrained spending but also permitted us to recognize our very highest performers.

Although 5 U.S.C. Section 5384 allows agencies to grant individual Career SES performance awards that are no lower than 5 percent and no higher than 20 percent of an executive's salary, for FY 2010 performance, the highest award VA granted was 15.5 percent. Unlike the practice in some government agencies, a VA executive who receives a Presidential Rank Award does not also receive an additional performance award for that year.

VA is confident in the integrity and efficacy of this process.

INFORMATION TECHNOLOGY
Virtual Lifetime Electronic Record (VLER)

Question 29: The Virtual Lifetime Electronic Record Capability Area 1 (VCA-1), *Concept of Operations v 2.0* (CONOPS), dated April 8, 2011, and signed by the Deputy Secretary in August of 2011, identifies high-likelihood / high-impact VLER risks and issues. Specifically, tables 11 and 12 of CONOPS detail selected risks and issues rated "high" on the risk exposure index or "Level 5" (catastrophic) using the Cost and Schedule Consequence Impact Rating.

a. Please detail the current status of each risk and issue identified in Tables 11 and 12, and describe any steps taken pursuant to the applicable mitigation or remediation plan.

b. Please also identify, and provide the same detail for, any additional risk or issue currently rated "high" on the risk exposure index, or "Level 5" using the impact rating and not listed in Table 11 or 12.

Response to a and b:

Risks:
Risk 1: Projects (e.g., VistAWeb, VistA Imaging, Radiology, and Veterans Relationship Management) that VCA11 is dependent upon must be adequately funded and delivered on time in order to prevent a change in the scope of VCA 1 that could impact funding and/or delivery schedule.

> Update: These projects were not a part of VCA 1 capability and should not have been listed as a risk. Does not apply.

Risk 2: If iEHR, VLER, and other interagency data exchange efforts are not synchronized (e.g., CIIF, data standards, service framework, and specifications), the Departments will incur cost overruns, duplications, and lack of standardization and interoperability.

Update: Data exchange efforts have been synchronized between VLER Health and the Common Information Interoperability Framework (CIIF) through co-location at the IPO so this is no longer a risk.

Issues:
Issue 1: The current NwHIN identity management specification lacks maturity and scalability, resulting in inability to discover and subsequent exchange of health data.

Update: National rollout will still be able to proceed. Timelines for deployment to new sites will account for the continued maturing of identity specifications.

Issue 2: The current immature standards and specifications impact the ability of the Departments to further develop a robust health data exchange capability.
Update: National rollout will still be able to proceed. Timelines for deployment to new sites will account for the continued maturing of standards and specifications.

Issue 3: DOD and VA do not have adequate government full time staff to perform inherently governmental duties.

Update: Staffing is adequate. This is no longer an issue.

Issue 4: DMDC's funding in support of VLER does not exist for any future development.

Update: Funding is available for FY12 and has been requested for FY13.

Issue 5: VLER requires multiple Departments to work together to achieve success. Potential competing priorities for any of the federal partners impacts the overall program success.

Update: Competing priorities have been mitigated through organizational solution.

Integrated Electronic Health Record (iEHR)

Question 30: Please describe how iEHR governance has been connected to VLER oversight and implementation.

Response: The Interagency Program Office (IPO) Charter was signed on October 27, 2011. It states that the IPO:
"a. Serves as the single point of accountability for the Departments in the development and implementation of the integrated electronic health record (EHR) and Virtual Lifetime Electronic Record (VLER) Health systems, capabilities, and initiatives with the goal of full interoperability between the DOD and VA.

b. Is authorized by the Departments to lead, oversee, and manage all interagency planning, programming and budgeting, contracting, architecture, capability acquisition and development, data strategy and management, testing and evaluation planning, infrastructure requirements and funding, common services, implementation, and sustainment related to and including the integrated EHR (iEHR) and VLER Health."

Both iEHR and VLER Health are under the IPO governance structure. There is not separate iEHR governance.

Question 31: Please report the status of iEHR requirements, including, but not limited to, decision(s) on design methodologies, application priorities, implementation schedule, and deployment sequence. For each iEHR requirement identified in your response, describe the scope and status of the requirement in detail.

Response: VA and DOD have agreed to create a single common, joint electronic health record. The iEHR platform will be an open architecture, non-proprietary design. We are now in the process of identifying the specific requirements for the development of the iEHR. As soon as the requirements are finalized, the Departments will furnish the Committee with the requested documentation. Based on leadership defined priorities, a preliminary iEHR Initial Operational Capability (IOC) definition was agreed to at the Interagency Program Office (IPO) Advisory Board meeting held on March 13, 2012. The IOC targets delivery of iEHR baseline capability to two sites (consisting of multiple VA and DOD facilities) no later than 2014, with

primary effort on providing a Service Oriented Architecture-based supporting infrastructure. Clinical capability for Lab and Immunization has been identified as the priorities. In addition, Pharmacy Orders Fulfillment and Inventory Management will be addressed at North Chicago. The two sites for IOC under consideration are Hampton Roads and San Antonio.
Ongoing risk reduction efforts in the areas of Identity Management, Access Control, and Single Sign-on/Context Management, Enterprise Service Bus, Presentation Layer, Development Test Center/Environment and Health Data Dictionary mapping will continue in support of framing the iEHR enduring capability.

IT Hardware & Infrastructure

Question 32: In his June 29, 2011, letter to the Committee outlining the Department's IT reprogramming baseline plan, the Secretary wrote in relevant part:

> The reduction of VA's IT budget in FY 2011 requires a rebalancing of investments between development programs designed to transform VA and infrastructure programs to sustain reliable systems and quality service. In FY 2011, VA will defer the replacement of essential IT equipment that is well beyond its useful life. This will increase the potential for a hospital or benefits office outage, which would have a substantial impact on quality of care and timely delivery of benefits for Veterans. For example, 26 percent of IT servers are beyond their 5-year useful life (3,866 of 14,615 servers). Similarly, 25 percent of the 860 telephone switch (PBX) systems for which VA facilities rely upon to communicate with Veterans and their families, are beyond their expected 10-year lifespan (214 of 860), and 30 of those PBX systems are beyond 15 years of age and at a high risk for failure.
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> . . .
>
> These challenges are manageable this year, but set the conditions for a more serious dilemma in maintaining investment balance should such reductions occur in FY 2012.

In light of the reduction to VA's IT budget in FY11 and current FY12 spending levels:

a. What is the Department's strategy for maintaining a viable investment balance between development programs and infrastructure programs over the next five fiscal years?

Response: IT is fundamental to the VA's ability to serve our Veterans. VA cannot operate its hospitals, benefits offices, or even its cemeteries without information technology. More than 80% of VA's IT staff work at the hospitals and benefits offices providing direct support to those who serve Veterans.

The Department's budget request for FY 2013 provides for the proper operation and maintenance of an infrastructure designed to meet the day-to-day operational needs of VA. The sustainment of activities, replacement of equipment that reaches the end of its useful life, and major infrastructure upgrades needed to maintain currency with the rapidly changing technological environment are all part of that regime. The budget provides for ensuring continued operations in the event of outages, ensuring OIT meets expected service levels. The budget request will provide for an infrastructure that is capable of detecting and correcting anomalous situations without human intervention, as well as capable of accepting and operating the new products and systems being developed by the Department's agile development process.

Nevertheless, VA must address several trends outlined in the budget request that serve to escalate the costs of operating IT in the Department remains. These drivers – outlined in detail in the Department's FY 2013 budget request – include: new employees; new facility activations; new systems and platforms that come online; an increase in the use of mobile computing; and increased reliance upon WAN/LAN and other telecommunication. Additionally, there is the challenge of addressing deferred equipment replacement. The relationship between equipment that has aged beyond its useful lifespan and reports of incidents and outages is a direct correlation. The scale of what may be referred to as the IT Debt (which is the sum of replacement costs for all hardware commodities that have aged beyond useful

lifespan) can be tracked and correlates with the approximately 36% increase in incidents over the years 2009-2011.

In response, VA is investigating changes in the infrastructure paradigm as ways to improve its cost effectiveness. Strategies such as using outside entities for telephone and printing services, and changes in how VA approaches life-cycle management of hardware (such as leasing versus buying where appropriate, leveraging economies of scale on commodity contracts), are being reviewed as mechanisms to reduce the cost of VA's IT infrastructure; every dollar that is not expended servicing the infrastructure is another dollar that can be used to develop innovative solutions serving our Veterans.

The FY 2013 budget request prevents equipment replacement deferrals from interfering with required service levels and provides the basis for a strong, scalable, effective infrastructure now and into FY 2014 and beyond.

b. If additional budget rescissions or reductions occur, what is the Department's plan to mitigate impact on IT equipment that has exceeded its useful life? Is deferred replacement of aging equipment a viable long term strategy?

Response: Deferred replacement of aged equipment is no longer a suitable option, and was never positioned as a long-term strategy. The deferral was a time-limited, risk management strategy to deal with an increase in development of new IT capabilities/systems. If it is maintained as a long term strategy, then current service levels will further deteriorate.

In some cases – a paradigm shift may obviate the need for a life-cycle management (LCM) strategy of costs for certain infrastructure items (such as the Voice-as-a-Service [VaaS] pilot that may prove that VaaS strategy is superior to a PBX replacement strategy based on LCM). But in other cases, a change in how the Department approaches LCM funding would likely be required to make the paradigm shift (such as increased funding for a server/storage virtualization program as part of a coordinated Lifecycle replacement of aged server hardware).

In the end, however, if the Department's IT budget request were not granted in full, VA would look to prioritize its investments within the appropriated funding to minimize the impact on service delivery to our Veteran community.

Project Management Accountability System (PMAS)

Question 33: In his January 26, 2012, briefing to the Senate and House Committees on Veterans' Affairs, Assistant Secretary Roger Baker identified as an ongoing challenge the alignment of all processes for a 3500 person development organization to fully support PMAS.

a. To date, what steps has the Department taken to achieve such alignment?

Response: In his January 26, 2012 briefing to the Senate and House Committees on Veterans Affairs, Assistant Secretary Baker indicated that, at a high level, the processes necessary to fully support PMAS in a 3,500 person development organization existed at the highest levels, but needed to be improved at the project and program levels. VA's IT development organization has taken significant steps to ensure that the processes are fully aligned. VA's success in delivering projects on time and within scope in FY 2011 is evidence of improved process alignment. Through the implementation of improved processes in the development organization, VA has identified a cost avoidance of nearly $200 million by eliminating poorly performing projects and restructuring others. In FY 2011, VA managed 101 IT projects and successfully delivered 89 percent of all project milestones.

For example, VA mandates the use of ProPath for the management of all IT projects. ProPath is an innovative, front-end tool that was established to enhance and encourage standard, repeatable processes that can be utilized easily across the organization. ProPath serves as the first step in a long-term investment toward improving our development processes.

Moreover, VA is working to instill processes that support PMAS by requiring every project manager to ensure proper planning is completed before a project can begin. This pre-planning phase, which is referred to as "Milestone Zero," ensures that a project meets the PMAS requirements to enter the "Planning" state to graduate to "Milestone 1." This stage requires the involvement of the OIT Deputy Assistant Secretary or Deputy CIO for the office responsible for

the project. This stage also requires the involvement of the Departmental customer for whom the project will be completed, as well as an Integrated Project Team (IPT). The IPT consists of all stakeholders necessary to ensure the proper execution of the project, and is also responsible for ensuring the project and increment requirements are in place, and also serves as the governing and management mechanism for the project. By instituting processes at the Milestone Zero stage and establishing standard processes for involvement by all stakeholders in the earliest stages of project planning, VA is making significant progress aligning development processes to PMAS.

b. If full alignment has not yet been achieved, please detail the remaining challenges preventing such alignment. What steps will the Department take to overcome these remaining challenges?

Response: VA continues to refine the Milestone Zero process, including the development of templates to be used for projects to instill consistency in the development process. We also continue to incorporate lessons learned into the PMAS Guide. The most recent version of the PMAS Guide, version 3.0, was released in September, 2011.

ACQUISITION & CONTRACTING

Question 34: One area where greater oversight and accountability is needed is in contracting. In VISN 20 the network director has spent more than half a million dollars to hire a motivational speaker, and purchase thousands of his books, including a copy of one of his books for every employee in the network, in addition to large purchases of his other books. Every contract needs to add value, address a necessary problem, not be duplicative, and not be something VA should perform itself. What oversight is in place to ensure that, before VA enters into a contract, it is appropriate and necessary?

Response: The response to this question will be provided in a future batch of questions.

Question 35: In its July 2011 briefing to the Committee, the Department identified benefits it expects to realize through its Transformation Twenty-One Total Technology (T4) acquisition strategy, including:

> Savings for the Government: reduced cycle time, fewer source selections, increased savings associated with contract administration, overhead, program management, and competition in a post award environment.

a. How does the Department evaluate and measure the accrual of such savings?

Response: Savings are measured in time and dollars:

Procurement Administrative Lead Time (PALT) is defined the time from receipt of a complete requirements package to the time of contract award. Comparison is made to the prior year and trends will be analyzed to determine where further process improvements can be made.

Dollar savings are measured based on:

a) The comparison between the Government's cost estimate and/or prior historical pricing, and task order award prices
b) Avoidance of preparation of unnecessary documents
c) Conversion from assisted to direct acquisition
d) Avoidance of costs associated with formal source selection

b. To date, please detail any savings realized through T4. Is T4 meeting the Department's expectations for savings and efficiencies? If not, why?

Response: Twelve competitive awards have been made under T4 thus far. The following savings have been realized based on these twelve awards:

a. Standard PALT time for service contract/task order awards is 150 days. Average PALT for service contract/task order awards at the Technology Acquisition Center (TAC) for 2011 was 67 days. Average PALT time for the first 12 competitive T4 awards was 50 days.

b. Summary of dollar savings:

I. Total independent Government cost estimate (IGCE) for the 12 awards was $1,198,576,452.74 as compared to the total award values of $854,749,325.66. The most notable example was the estimate for one order was $855,000,000 based on recent and reliable historical data; the award amount was 715,355,639.01, nearly a 20% savings. Note also the IGCE for the basic T4 awards was based on General Services Administration (GSA) Schedule 70 rates. The T4 awarded labor rates averaged a savings against the GSA rates of 13.54% for Government site rates and 23.43% for Contractor site rates.

II. Elimination of preparation of acquisition plans based on an average of 40 hours preparation and review time for a total of 12 awards is estimated to be a total of $47,909 (40 hours per document multiplied by average rate of $99.81 multiplied by 12 awarded task orders)

III. Use of direct acquisition versus Federal Supply Schedule or Government-Wide Acquisition Contracts for 11 of the orders is estimated to be .75% Industrial Funding Fee (IFF) x $139,393,686.65 or $1,045,452.64. Actual savings realized on the obligated value of $28,415,408.50 is $213,115.56.

IV. One task order out of the 12 awarded would have been a candidate for a full formal source selection estimated to have cost about $300,000 - $400,000 and taken six months on average. Using the streamlined processes under T4, estimated dollar savings based on the four month reduction in time is $266,000 ($400,000/6 months multiplied by 4 months)

Question 36: In his February 1, 2012, testimony before the House Committee on Veterans' Affairs, Deputy Secretary Gould described the Department's acquisition transformation initiative, stating in part:

> VA has established the Senior Procurement Council and implemented metrics to measure critical contracting requirements, implemented an enterprise spend analysis process, established a risk management office to oversee the A-123 process, established a Supplier Relationship Management initiative to work with our suppliers to improve our contracting processes, provided training to ensure a professional acquisition workforce, and developed information technology (IT) systems to simplify and standardize how we implement contracting throughout the Department.

For each measure identified above:

a. Has the measure been fully implemented? If not, what is the status of implementation?

Response: The VA monitors eleven (11) core procurement metrics, and numerous supporting measures. The eleven core procurement metrics are reviewed on a monthly basis by VA's Senior Procurement Council (SPC). All of these metrics are fully implemented at the enterprise Chief Acquisition Officer (CAO) and Head of Contracting Activity (HCA) levels.

b. How does the measure enable VA to better manage its contracting and acquisition processes, and how does VA track and evaluate such improvements?

Response: Collectively, these measures provide insight into key aspects of operational contracting performance: customer satisfaction, compliance with laws & regulations, achievement of federal/Department goals and mandates, and attainment of improvement objectives. Continuous monitoring supports identification of performance risks, provides timely identification of deviations from plan, and focuses top management attention on issues requiring corrective action. Most performance targets are reviewed monthly when system generated data is available. Some performance targets are reviewed quarterly, such as performance data derived from periodic stakeholder surveys. Performance trends are also maintained and reviewed to support analysis within the context of historical norms and/or operational anomalies.

Question 37: In his February 1, 2012, testimony before the House Committee on Veterans' Affairs, Deputy Secretary Gould reported:

> Within VHA, procurement staffs were reorganized under a new management line that provides management and oversight dedicated to improving procurement operations. VHA completed its reorganization at the end of fiscal year (FY) 2011.

a. Please describe this reorganization and new management line.
b. How does this new line improve procurement operations and enhance oversight?
c. How does the Department measure and evaluate such improvements?

Response: VHA continues to transform and improve its acquisition operations. The completion of the reorganization in FY 2011 implemented a new acquisition business model that promotes centralized decision making and decentralized execution, based on the recommendations of a formal study completed at VA's request. VHA has realigned its acquisition staff under a centralized structure with three regional offices. These regional offices will concentrate on running an acquisition organization with a deliberate approach to training and oversight. The four major focus areas are:

1) Customer and stakeholder satisfaction;
2) Operational regional service area offices;
3) Performance monitors; and
4) Seamless transition.

VHA's primary goal in reorganizing its acquisition operations is to transform into a customer-focused organization through the effective and innovative use of acquisition policies, procedures and processes to provide the best possible care to our Veterans and improve patient safety. Veterans Integrated Service Network (VISN) Directors and the Network Contract Managers will collaboratively prepare Customer Service Agreements. The agreements will focus on establishing customer service measures that meet the intent and regulations established in the Federal Acquisition Regulation (FAR) and Veterans Affairs Acquisition Regulation (VAAR) while still providing excellent customer service and patient care. VHA leadership has communicated clear expectations to its staff officers regarding each acquisition organization role and provided appropriate training to staff to ensure they are competent and effective leaders within the organization.

All acquisition workforces previously reporting to the VISN Medical Center Directors have now been realigned under the VHA Procurement and Logistics Office (PL&O). This Office has created three Service Area Offices (SAOs) based on geographic location: East, Central and West. VHA has created several goals for these SAOs:

- Achieve cost savings as identified in the Office of Management and Budget's (OMB) Improving Government Acquisition Initiative;
- Enforce standardization of contract requirements; and
- Establish staff as business consultants and value-added team members for VHA.

VHA's reorganization also included developing quality assurance and compliance programs to promote standardization and greater compliance with Federal regulations and policies. The quality program is designed to plan, implement, monitor, identify and correct processes; it establishes checks and balances as required by the VA Office of Acquisition and Logistics Instruction Letter IL 001AL-09-02; and allows VA to identify best practices that can be used to promote standardization and efficiency. The VHA Operations Quality Office provides direct oversight to VHA acquisition activities.
The Quality Office provides the Chief Procurement Office a comprehensive assessment of the entire acquisition program, not just individual procurement actions. The compliance program's key elements include: (1) organizational management; (2) human capital; (3) acquisition planning and information management; and (4) contracting. The goals of the quality program are to ensure compliance with VA policies, procedures and regulations; determine if the processes are helping us achieve our stated objectives; validate our processes and discover "best practices" to improve our business model; and establish an ISO9001:2008 Quality Management Standards organization. The Quality program will provide the oversight

necessary for VHA to become a world-class professional acquisition organization. In sum, this reorganization improves oversight, performance, and customer service, and ensures VA policies and procedures are followed. All of this contributes directly to achieving the Department's mission and improving patient care.

SMALL BUSINESS VERIFICATION

Question 38: The Department's Center for Veterans Enterprise (CVE) began verification of service-disabled veteran-owned and veteran-owned small businesses in May 2008. Since that time, CVE has modified its verification program.

a. What metrics does CVE currently utilize to evaluate the operational efficiency and effectiveness of its verification processes and procedures?

Response: CVE requires that 95% of all verification decisions are accurate and completed within its established timelines: 90 days for initial applications and 60 days for requests for reconsideration (R4R).

b. Based upon these metrics, please describe the top five operational or organizational issues affecting the verification program.

Response: The top five operational or organizational issues affecting the verification program are: Technology, Training, Process Management Oversight, Communications, and Oversight.

c. Please detail any steps taken or that will be taken by CVE to resolve each such issue identified.

Response:

Technology

Requirements for the newest version of the Vendor Information Pages (VIP7) are in development and being gathered throughout the business improvement process. During the interim, CVE has performed two contract modifications to streamline processes and improve overall functionality of the system.

Training

CVE is implementing a training program and has hired a training manager to facilitate the continual training on our systems, processes, and customer service.

Process Management Oversight

A change control board will oversee all process system changes and make sure that all changes are within regulatory guidance and become policy. CVE is continually revising its Standard Operating Procedures to ensure clarity, standardization and consistent implementation of all processes.

Communications

CVE's goal is to communicate to the Veteran community every 30 days to keep them aware of their application status. CVE has also established a customer service team to handle all Veteran and Congressional inquiries.

Oversight

CVE has hired a new Director & Deputy Director. There are also three new team leads that oversee initial application processing, requests for reconsideration and quality assurance. CVE continues to fill additional positions and have recently hired in the training, records management and technology areas.

EXTENSION OF CERTAIN BENEFITS

Question 39: Following the repeal of Don't Ask Don't Tell (DADT), a number of issues have arisen affecting VA and gay and lesbian veterans. For example, a federal lawsuit was recently filed against VA because the Department refused to extend benefits to the same-sex spouse of

a veteran. The lawsuit challenges the constitutionality of the Defense of Marriage Act (DOMA) and VA's definition of "spouse" as defined in Title 38.

a. Should repeal of DOMA and related statutes occur, or in the event of a court order directing that VA extend benefits to same-sex spouses of veterans, what steps will VA have to take to extend such benefits? To date, has the Department had an opportunity to evaluate or plan for these steps?

Response: Under Section 3 of DOMA, "marriage" is defined for purposes of Federal laws, regulations, or rulings to mean only a union between one man and one woman as husband and wife, and a "spouse" is defined as a person of the opposite sex who is a husband or wife. Similarly, under 38 U.S.C § 101(3) and (31), a "surviving spouse" and a "spouse" are defined for VA benefit purposes as a person of the opposite sex who is (or was) a Veteran's wife or husband. If the Defense of Marriage Act and provisions of title 38 are repealed or the judiciary renders a definitive holding against their constitutionality, VA would begin recognizing same-sex marriages that are valid under the law of the state where the parties resided at the time of the marriage or the law of the state where the parties resided when the right to benefits accrued. *See* 38 U.S.C. § 103(c). However, the extent to which VA would need to change its policies, regulations, manuals, and forms, as well as the associated financial costs and workload, is currently unknown.

VA is preparing to proactively respond to Veterans and their families by ensuring the inclusive and equitable access to and delivery of benefits and services. As such, VA will determine the extent to which documented VA policies, regulations, manuals, forms and special authorities would need to change if Section 3 of DOMA and VA's statutory definitions of "spouse" and "surviving spouse" are repealed or determined to be unconstitutional. Efforts will also include an analysis of the resource implications and the resulting budgetary impact that these changes would have on VA's services and workforce.

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. RICHARD BURR TO U.S. DEPARTMENT OF VETERANS AFFAIRS

GENERAL

Question 1. In connection with the Department of Veterans Affairs (VA) fiscal year 2011 budget request, VA indicated in response to questions about the method of travel used by employees of the Office of the Secretary that "travel regulations address the allowable modes of travel for reimbursement purposes, but the *predominant method* of travel has and will continue to be commercial airlines" [emphasis added].

a. For fiscal years 2009, 2010, and 2011, please identify the number of trips taken each year by senior VA personnel (Presidential Appointee with Senate Confirmation (PAS), career or non-career General Schedule (GS) employees, career or non-career Senior Executive Service (SES) or SES Equivalent, consultant, contractor, etc.) using a military or other government-provided aircraft.

Response. Total number of trips taken each fiscal year using military or other government-provided aircraft are as follow:

Fiscal Year 2009—total of 3 trips
Fiscal Year 2010—total of 12 trips
Fiscal Year 2011—total of 4 trips

b. For each trip during those years where a military or other government-provided aircraft was utilized for travel, please identify: (1) the purpose of the trip, (2) the destination of the trip, (3) the duration of the trip, (4) the number and title of any VA employees (PAS, career or non-career GS employee; career or non-career SES or SES Equivalent, consultant, contractor, etc.) who were passengers on the aircraft, (5) the total cost to the Federal Government to operate the aircraft used for the trip, (6) the amount of any reimbursement VA provided to the Department of Defense, a military service, or another government entity in connection with the trip, (7) the justification for using military or other government-provided aircraft rather than a commercial airline, and (8) all supporting documentation, the agenda, and the itinerary related to the trip, as well as copies of any memoranda, reviews, comments and/or opinions rendered by VA's Office of General Counsel regarding the trip.

Response. [Extensive supporting documentation is held in Committee files.]

c. For fiscal years 2012 and 2013, please identify the number of trips that have been taken or are expected to be taken by senior VA personnel (PAS, career or non-career GS, career or non-career SES or SES Equivalent, consultant, contractor, etc.) using a military or other government-provided aircraft.

Response. As of March 29, 2012, in fiscal year 2012 VA did not usemilitary or other government-provided aircraft for any trips. In fiscal year 2013, VA may use military or other government-provided aircraft but no estimates are currently available. Cost figures can only be provided once travel is complete. For every official trip conducted by the Secretary, a cost analysis is made to determine efficiencies that may warrant a request for military air. If military air is requested, the provisions of 41 CFR 101–37 are met using the appropriate decision process outlined in OMB Circular A–126 and each request is submitted to the Agency General Counsel for review and approval.

d. In total, for fiscal year 2012, how much (if any) is expected to be spent by VA in order to pay for transportation by military or other government-provided aircraft?

Response. As of March 29, 2012, in fiscal year 2012 VA did not use military or other government-provided aircraft for any trips. No estimates are currently available and cost figures can only be provided once travel is complete. For every official trip conducted by the Secretary, a cost analysis is made to determine efficiencies that may warrant a request for military air. If military air is requested, the provisions of 41 CFR 101–37 are met using the appropriate decision process outlined in OMB Circular A–126 and each request is submitted to the Agency General Counsel for review and approval.

e. In total, for fiscal year 2013, how much (if any) is requested in order to pay for transportation by military or other government-provided aircraft?

Response. In fiscal year 2013, VA may use military or other government-provided aircraft but no estimates are currently available. Cost figures can only be provided once travel is complete.

Question 2. The fiscal year 2013 budget request includes (1) funding for 3,380 full-time equivalents (FTE) under General Administration for VA's Office of the Secretary, Office of Human Resources and Administration, Office of Policy and Planning, Office of Operations, Security and Preparedness, Office of Public and Intergovernmental Affairs, Office of Management, Office of Congressional and Legislative Affairs, Office of General Counsel, and Board of Veterans' Appeals (Board); (2) funding for 20,757 FTE under General Operating Expenses (GOE) for the Veterans Benefits Administration (VBA); and (3) funding for 262,912 FTE under the Veterans Health Administration (VHA) Medical Services, Medical Support and Compliance, and Medical Facilities accounts.

a. For all three of the above FTE account groupings, please identify how many of the stated number of FTE are "virtual" FTE whose positions are funded by and whose responsibilities support offices at the VA Central Office level, but the employees are physically located outside of VA Central Office and in the field. Please display this information regarding virtual employees by responsible office field location (i.e., Veterans Integrated Service Network (VISN), VA medical center (VAMC), VBA regional office, or other office).

b. How much is allocated for these employees' salaries and benefits?

c. If "virtual" FTE located in the field are not included within the above figures, please explain why they are not so reflected and under which organizational levels the FTE are reflected.

Response to 2a-c: VA notes that various FTE listed in the embedded spreadsheets provide support to Veterans or activities in the field although they report through a VA Central Office organizational structure.

For the Veterans Health Administration (VHA), several examples include:

- Employees that work in VHA's Consolidated Patient Account Centers provide medical center billing functions in regional locations to enhance efficiencies and consistent practices;
- Readjustment Counseling staff provide Vet Center counseling and support in Vet Centers across the country. They are aligned through Central Office rather than each medical center, to maximize efficiencies and ensure consistent training and practices.
- The Office of Workforce Management and Consulting provides human resource consultation and operational guidance to the broad VHA community to ensure an engaged and high-performing workforce to care for Veterans and their families;
- The Employee Education System supports dynamic learning that contributes to a high-performance VHA workforce serving Veterans;
- The National Center for Organization Development offers organizational assessment and consultation services to VA organizations nationwide;

• The Office of Academic Affiliations conducts an education and training program for health profession students and residents to enhance the quality of care provided to Veteran patients within the VHA healthcare system; and

• Many of the "virtual" Patient Care Services staff are part-time clinicians that provide health care to our Veterans at one of VA's more than 1,400 sites of care.

Beyond VHA, a sample of examples where the work of these employees supports a combination of field and VA Central Office functions are provided below:

• In the Office of General Counsel (OGC), the "virtual" FTE all perform work that supports both VA Central Office and the field. For example, OGC's "virtual" Reports Analysis Planning & Statistics Division and "virtual" OGC budget staff provide support for OGC's 22 field-based Regional Counsel offices as well as for OGC's VACO-based Staff Groups. Similarly, OGC's "virtual" Knowledge Management and Professional Development Division staff provides support for all OGC training and knowledge-management activities, both in VACO and in the field. In addition, OGC's Eatontown, NJ-based attorneys at the Technology Acquisition Center support IT acquisition activities for the benefit of VA facilities in the field as well as in VACO;

• In the case of the Veterans Benefits Administration, all of the virtual employees listed work for VBA Central Office. These employees provide guidance, training, and oversight to the field. Outbased locations allow flexibility in recruiting, and program offices benefit from assigning staff at or near an existing regional office. Most of these positions do not involve routine travel to Washington, DC or co-location with Central Office.

The requested information in 2a and 2b is provided in three attached documents as described below. All offices responding to this request for data indicated that the data provided does represent "virtual" FTE located in the field as requested under 2c. No "virtual" employees were reported for the Office of the Secretary, Office of Policy and Planning, and the Office of Congressional and Legislative Affairs.

As the question here relates to the "virtual" employees for FY 2013, the attached data is a projected estimate for FY 2013 based on data as of June 2012.

The first spreadsheet (A) labeled "NonVHA-Report" contains responses for all organizations requested by the question, where applicable, except VHA. Information for VHA is provided in the .pdf file labeled "VHAReport" with an accompanying Station Table key excel sheet (B) labeled "Station Table." VHA information is organized by the VHA Central Office Program Office to which the virtual employees are assigned. Due to technical limitations of the Personnel Accounting Integrated Database (PAID) system, VHA is unable to provide local duty station information in conjunction with the virtual employee's VHACO Program Office assignment.

The spreadsheet (C) labeled "VHAReport" includes the VHA "station code" that a program office is assigned to and therefore may not represent the city/state for every employee in that office (e.g., some may work from home or in other cities) and may not reflect where the employees actually sit (e.g., VHACO employees assigned to station 635 Oklahoma City VAMC actually have an office in downtown Oklahoma City, not at the medical center).

As noted earlier, many of the VHA Central Office employees who are not in station 101 (VA Central Office) are employees in centralized functions that are part of Central Office but operate in the field. This includes VHA's Chief Business Office, with over 5,000 employees, and VHA's procurement and logistics with over 2,000 employees.

Dept. of Veterans Affairs Projected and Planned FY 2013 Virtual Central Office FTE

(As of June 2012)

FY13 Budget Projected and Planned Virtual FTE			
	FY13 Virtual CO FTE	FY13 Virtual FTE Field Location	
VBA Section			
VBA	1	ALAC, Austin, TX	
VBA	1	Army IMCOM, Ft Sam Houston, TX	
VBA	1	Army IMCOM, Ft Sam Houston, TX	
VBA	8	Austin ITC, TX	
VBA	1	Frederick Acquisition Office, MD	
VBA	1	Ft Knox, KY	
VBA	1	Hines ITC, IL	
VBA	1	Jacksonville NAS, FL	
VBA	1	JB Lewis-McChord, WA	
VBA	1	JB McGuire-Dix, NJ	
VBA	1	Military installation TBD Asia	
VBA	1	Military installation TBD Europe	
VBA	1	Nellis AFB, NV	
VBA	2	Other, Andrews AFB, MD	
VBA	1	Other, Atlanta, GA	
VBA	1	Other, Bayonne, NJ	
VBA	6	Other, Bethesda, MD	
VBA	1	Other, Broken Arrow, OK	
VBA	1	Other, Cambridge, MA	
VBA	1	Other, Fort Belvoir, VA	
VBA	7	Other, Ft. Belvoir, MD	
VBA	8	Other, Hines, IL	
VBA	1	Other, Huntington, WV	
VBA	9	Other, Indianapolis, IN	
VBA	1	Other, Lake City, FL	
VBA	1	Other, Manchester, NH	
VBA	1	Other, Minneapolis, MN	
VBA	125	Other, Nashville, TN	
VBA	1	Other, Newark, NJ	
VBA	1	Other, Orem, UT	
VBA	9	Other, Orlando, FL	
VBA	1	Other, Palm Harbor, FL	
VBA	1	Other, Portland	
VBA	1	Other, Quantico, VA	
VBA	2	Other, Salt Lake City, UT	
VBA	1	Other, Seattle, WA	
VBA	1	Other, Sherveport, LA	
VBA	10	Other, St. Petersburg, FL	
VBA	1	Other, Waco, TX	
VBA	1	Other, Winston-Salem, NC	

VBA	1	Randolph AFB, TX	
VBA	1	RO, Albuquerque, NM	
VBA	1	RO, Denver, CO	
VBA	1	RO, Honolulu, HI	
VBA	2	RO, Lincoln, NE	
VBA	1	RO, Manchester, NH	
VBA	1	RO, Muskogee, OK	
VBA	1	RO, Nashville, TN	
VBA	1	RO, New York, NY	
VBA	2	RO, Philadelphia, PA	
VBA	1	RO, Providence, RI	
VBA	1	RO, Salt Lake City, UT	
VBA	1	RO, St. Louis, MO	
VBA	8	RO, St. Petersburg, FL	
VBA	1	RO, Togus, ME	
VBA	1	RO, Waco, TX	
VBA	2	RO, Winston-Salem, NC	
VBA	9	VBA Academy, Baltimore, MD	
	252	**FY 13 Estimated Total Projected Salary and Benefits**	29,120,299

BVA Section

BVA	7	Wilkes Barre, PA	
	7	**FY 13 Estimated Total Projected Salary and Benefits**	343,946.20

OHRA Section

OHRA	0.5	Asheville, NC	
OHRA	1	Austin, TX	
OHRA	1	Chicago, IL	
OHRA	1	Cincinnati, OH	
OHRA	1	Cleveland, OH	
OHRA	1	Cleveland, OH	
OHRA	1	Cleveland, OH	
OHRA	1	Cleveland, OH	
OHRA	1	Cleveland, OH	
OHRA	1	Cleveland, OH	
OHRA	1	Cleveland, OH	
OHRA	3	Cleveland, OH	
OHRA	2	Colorado Springs, CO	
OHRA	1	Dallas, TX	
OHRA	1	Dallas, TX	
OHRA	1	Denver, CO	
OHRA	1	Fayetteville, NC	
OHRA	1	Florida	
OHRA	1	Hawaii	

OHRA	1	Hines, IL	
OHRA	1	Hines, IL	
OHRA	1	Hines, IL	
OHRA	4	Houston, TX	
OHRA	1	Indianapolis, IN	
OHRA	1	Iowa City, IA	
OHRA	1	Levenworth, KS	
OHRA	3	Little Rock, AR	
OHRA	1	Livermore, CA	
OHRA	1	Minneapolis, MN	
OHRA	1	Murfreesboro, TN	
OHRA	2	Phoenix, AZ	
OHRA	1	Ona, WV	
OHRA	0.5	Phoenix, AZ	
OHRA	1	Pittsburgh, PA	
OHRA	2	Pittsburgh, PA	
OHRA	1	Saginaw, MI	
OHRA	1	Slidell, LA	
OHRA	1	Tucson, AZ	
OHRA	1	AITC Austin, TX	
OHRA	2	Atlanta, GA	
OHRA	1	Biloxi, MS	
OHRA	1	Denver, Colorado	
OHRA	1	Denver, Colorado	
OHRA	1	Detriot, MI	
OHRA	1	Hampton, VA	
OHRA	1	Long Beach, California	
OHRA	1	Orlando VAMC	
OHRA	1	Orlando, Florida	
OHRA	1	Tampa, Florida	
OHRA	1	VAMC Altoona, PA	
OHRA	1	VAMC Augusta	
OHRA	1	VAMC- Augusta, GA	
OHRA	1	VAMC Dallas, TX	
OHRA	1	VAMC Dayton, OH	
OHRA	1	VAMC Long Beach, CA	
OHRA	1	VAMC Los Angeles, CA	
OHRA	1	VAMC Memphis	
OHRA	1	VAMC Milwaukee, WI	
OHRA	1	VAMC Northampton, MA	
OHRA	1	VAMC Northport	
OHRA	1	VAMC Phoenix, AZ	
OHRA	1	VAMC- San Diego, CA	
OHRA	1	VAMC Tampa, FL	
OHRA	1	VAMC Tuscaloosa, AL	
OHRA	1	VAMC Wilkes Barre, PA	
OHRA	1	VBA Regional Office New Orleans, LA	

OHRA	1	VBA Seattle Washington	
OHRA	1	VHA Louisville, KY	
OHRA	1	VHA Louisville, KY	
OHRA	1	VHA New Orleans, LA	
OHRA	1	VHA New Orleans, LA	
OHRA	1	VHA NYC – Manhattan Campus	
OHRA	1	VHA, Danville, IL	
OHRA	1	VHA, Orlando, FL	
OHRA	1	VHA, Philadelphia, PA	
OHRA	1	VHA, San Antonio, TX	
OHRA	2	VISN 15 NBO Leavenworth, KS	
OHRA	1	VISN 19 Salt Lake City, UT	
OHRA	1	West Palm Beach, Florida	
OHRA	1	Wilkes-Barre, PA VAMC	
OHRA	1	Lexington, KY	
OHRA	1	Jackson, MS	
OHRA	1	Sacramento, CA	
OHRA	1	Longview, TX	
OHRA	1	San Francisco, CA	
OHRA	1	Lafayette, LA	
OHRA	1	Sepulveda, CA	
OHRA	1	Washington, DC	
OHRA	1	Washington, DC	
OHRA	1	Washington, DC	
OHRA	1	Melbourne, FL	
OHRA	1	San Antonio, TX	
OHRA	1	Nashville, TN	
OHRA	1	VAMC Syracuse, NY	
	105	**FY 13 Estimated Total Projected Salary and Benefits**	11,721,495

OPIA Section

OPIA	1	Roseburg, OR VAMC	
OPIA	1	Minneapolis VAMC-MINUTE	
OPIA	1	Albuquerque, NM VAMC	
OPIA	1	Puget Sound, Seattle	
OPIA	1	Ann Arbor Healthcare System	
OPIA	3	Washington, DC Regional Office	
OPIA	3	New York Regional Office	
OPIA	3	Los Angeles Regional Office	
OPIA	3	Dallas Regional Office	
OPIA	4	Atlanta Regional Office	
OPIA	3	Chicago Regional Office	
OPIA	3	Denver Regional Office	
	27	**FY 13 Estimated Total Projected Salary and Benefits**	2,616,912

OGC Section

OGC	1	Atlanta, GA	
OGC	1	Boston, MA	
OGC	1	Buffalo, NY	
OGC	1	Indianapolis, IN	
OGC	1	Los Angeles, CA	
OGC	1	Philadelphia, PA	
OGC	1	Altoona, PA	
OGC	1	Sarasota, FL	
OGC	1	St. Louis, MO	
OGC	1	St Petersburg, FL	
OGC	1	Sterling, KY	
OGC	1	Roanoke, VA	
OGC	1	Overland Park, KS	
OGC	1	Leavenworth, KS	
OGC	1	Fetus, MO	
OGC	2	Nashville, TN	
OGC	5	Austin, TX	
OGC	6	Chicago, IL	
OGC	16	Eatontown, NJ	
OGC	1	Portland, OR	
OGC	1	Lakewood, CO	
OGC	1	Godfrey, IL	
OGC	1	Kansas City, MO	
OGC	1	Brooklyn, NY	
	49	**FY 13 Estimated Total Projected Salary and Benefits**	6,946,575.64

OM Section

OM	1	Street, MD	
OM	1	Sahuarita, AZ	
OM	1	Minocqua, WI	
OM	1	Pensacola, FL	
OM	1	San Diego, CA	
OM	1	Mountain Home, ID	
OM	2	Austin, TX	
	8	**FY 13 Estimated Total Projected Salary and Benefits**	903,662

OSP Section

OSP	1	Haverhill, MA	
OSP	1	Martinsburg, WV VAMC	
	2	**FY 13 Estimated Total Projected Salary and Benefits**	260,000

Station Table

Department of Veterans Affairs, Veterans Health Administration June 2012 - Station Table

Station Number	Station Name
101	(VHACO) (101) CO WASHINGTON DC
102	(VHACO) (102) SSC TOPEKA KS
103	(VHACO) (103) OIT WASHINGTON DC
104	(VHACO) (104) FSC AUSTIN TX
116	(VHACO) (116) OED BRECKSVILLE OH
118	(VHACO) (118) TAC EATONTOWN NJ
200	(VHACO) (200) AITC AUSTIN TX
211	(VHACO) (211) SIC NO LITTLE ROCKAR
212	(VHACO) (212) LETC NO LITTLE ROCKAR
284	(VHACO) (284) BDC PHILADELPHIA PA
301	(VHACO) (301) RO BOSTON MA
304	(VHACO) (304) RO PROVIDENCE RI
306	(VHACO) (306) RO NEW YORK NY
307	(VHACO) (307) RO BUFFALO NY
308	(VHACO) (308) RO HARTFORD CT
310	(VHACO) (310) ROIC PHILADELPHIA PA
311	(VHACO) (311) RO PITTSBURGH PA
313	(VHACO) (313) RO BALTIMORE MD
314	(VHACO) (314) RO ROANOKE VA
315	(VHACO) (315) RO HUNTINGTON WV
316	(VHACO) (316) RO ATLANTA GA
317	(VHACO) (317) RO ST PETERSBURG FL
318	(VHACO) (318) RO WINSTON-SALEM NC
319	(VHACO) (319) RO COLUMBIA SC
320	(VHACO) (320) RO NASHVILLE TN
321	(VHACO) (321) RO NEW ORLEANS LA
322	(VHACO) (322) RO MONTGOMERY AL
323	(VHACO) (323) RO JACKSON MS
325	(VHACO) (325) RO CLEVELAND OH
326	(VHACO) (326) RO INDIANAPOLIS IN
327	(VHACO) (327) RO LOUISVILLE KY
328	(VHACO) (328) RO CHICAGO IL
329	(VHACO) (329) RO DETROIT MI
330	(VHACO) (330) RO MILWAUKEE WI
331	(VHACO) (331) RO ST LOUIS MO
333	(VHACO) (333) RO DES MOINES IA
334	(VHACO) (334) RO LINCOLN NE
335	(VHACO) (335) ROIC ST PAUL MN
339	(VHACO) (339) RO DENVER CO
340	(VHACO) (340) RO ALBUQUERQUE NM
341	(VHACO) (341) RO SALT LAKE CY UT
343	(VHACO) (343) RO OAKLAND CA
344	(VHACO) (344) RO LOS ANGELES CA
345	(VHACO) (345) RO PHOENIX AZ
346	(VHACO) (346) RO SEATTLE WA
348	(VHACO) (348) RO PORTLAND OR
349	(VHACO) (349) RO WACO TX
350	(VHACO) (350) RO LITTLE ROCK AR
351	(VHACO) (351) RO MUSKOGEE OK
354	(VHACO) (354) RO RENO NV
355	(VHACO) (355) RO SAN JUAN PR
362	(VHACO) (362) RO HOUSTON TX
372	(VHACO) (372) RO WASHINGTON DC
373	(VHACO) (373) RO MANCHESTER NH
376	(VHACO) (376) RMC ST LOUIS MO
377	(VHACO) (377) RO SAN DIEGO CA
389	(VHACO) (389) DMC ST PAUL MN
392	(VHACO) (392) EAO BALTIMORE MD
393	(VHACO) (393) SAO JACKSON MS
394	(VHACO) (394) CAO DETROIT MI
395	(VHACO) (395) WAO DENVER CO
397	(VHACO) (397) AMC WASHINGTON DC
402	(VHACO) (402) HCS TOGUS ME
405	(VHACO) (405) MROC WHT RIVER JCT VT
436	(VHACO) (436) HCS FT HARRISON MT

Station Number	Station Name
437	(VHACO) (437) HCS FARGO ND
438	(VHACO) (438) HCS SIOUX FALLS SD
442	(VHACO) (442) MROC CHEYENNE WY
452	(VHACO) (452) RO WICHITA KS
459	(VHACO) (459) HCS HONOLULU HI
460	(VHACO) (460) MROC WILMINGTON DE
463	(VHACO) (463) HCSROANCHORAGE AK
478	(VHACO) (478) V1HCSBEDFORD MA
481	(VHACO) (481) V4HCSPITTSBURGH PA
483	(VHACO) (483) V6HCNDURHAM NC
484	(VHACO) (484) V7SENDULUTH GA
485	(VHACO) (485) V8HCSBAY PINES FL
486	(VHACO) (486) V9HCNNASHVILLE TN
492	(VHACO) (492) V16HNJACKSON MS
493	(VHACO) (493) V17HNARLINGTON TX
494	(VHACO) (494) V18HNMESA AZ
495	(VHACO) (495) V19HNGLENDALE CO
496	(VHACO) (496) V20HNVANCOUVER WA
498	(VHACO) (498) V22HNLONG BEACH CA
499	(VHACO) (499) V23HNMINNEAPOLIS MN
500	(VHACO) (500) MC ALBANY NY
501	(VHACO) (501) HCS ALBUQUERQUE NM
502	(VHACO) (502) MC ALEXANDRIA LA
503	(VHACO) (503) MC ALTOONA PA
504	(VHACO) (504) HCS AMARILLO TX
505	(VHACO) (505) MC AM LAKE/TACOMAWA
506	(VHACO) (506) HCS ANN ARBOR MI
508	(VHACO) (508) MC ATLANTA GA
509	(VHACO) (509) MC AUGUSTA GA
512	(VHACO) (512) HCS BALTIMORE MD
513	(VHACO) (513) MC BATAVIA NY
515	(VHACO) (515) MC BATTLE CREEK MI
516	(VHACO) (516) MC BAY PINES FL
517	(VHACO) (517) MC BECKLEY WV
518	(VHACO) (518) MC BEDFORD MA
519	(VHACO) (519) HCS BIG SPRING TX
520	(VHACO) (520) HCS BILOXI MS
521	(VHACO) (521) MC BIRMINGHAM AL
523	(VHACO) (523) HCS BOSTON MA
525	(VHACO) (525) MC BROCKTON MA
526	(VHACO) (526) MC BRONX NY
527	(VHACO) (527) MC BROOKLYN NY
528	(VHACO) (528) HCS BUFFALO NY
529	(VHACO) (529) MC BUTLER PA
531	(VHACO) (531) MC BOISE ID
532	(VHACO) (532) MC CANANDAIGUA NY
533	(VHACO) (533) MC CASTLE POINT NY
534	(VHACO) (534) MC CHARLESTON SC
535	(VHACO) (535) MC CHICAGO IL
537	(VHACO) (537) HCS CHICAGO IL
538	(VHACO) (538) MC CHILLICOTHE OH
539	(VHACO) (539) MC CINCINNATI OH
540	(VHACO) (540) MC CLARKSBURG WV
541	(VHACO) (541) MC CLEVELAND OH
542	(VHACO) (542) MC COATESVILLE PA
544	(VHACO) (544) MC COLUMBIA SC
546	(VHACO) (546) MC MIAMI FL
548	(VHACO) (548) MC W PALM BEACH FL
549	(VHACO) (549) HCS DALLAS TX
550	(VHACO) (550) HCS DANVILLE IL
552	(VHACO) (552) MC DAYTON OH
553	(VHACO) (553) MC DETROIT MI
554	(VHACO) (554) HCS DENVER CO
555	(VHACO) (555) HCS DES MOINES IA
556	(VHACO) (556) FHCC NORTH CHICAGO IL
557	(VHACO) (557) MC DUBLIN GA
558	(VHACO) (558) MC DURHAM NC
561	(VHACO) (561) HCS EAST ORANGE NJ
562	(VHACO) (562) MC ERIE PA
564	(VHACO) (564) MC FAYETTEVILLE AR

Station Number	Station Name
565	(VHACO) (565) MC FAYETTEVILLE NC
566	(VHACO) (566) MC FORT HOWARD MD
567	(VHACO) (567) HCS FORT LYON CO
568	(VHACO) (568) HCS FORT MEADE SD
569	(VHACO) (569) MC FORT WAYNE IN
570	(VHACO) (570) HCS FRESNO CA
573	(VHACO) (573) HCS GAINESVILLE FL
574	(VHACO) (574) MC GRAND ISLAND NE
575	(VHACO) (575) MC GR JUNCTION CO
578	(VHACO) (578) MC HINES IL
580	(VHACO) (580) MC HOUSTON TX
581	(VHACO) (581) MC HUNTINGTON WV
583	(VHACO) (583) MC INDIANAPOLIS IN
584	(VHACO) (584) HCS IOWA CITY IA
585	(VHACO) (585) MC IRON MOUNTAIN MI
586	(VHACO) (586) MC JACKSON MS
589	(VHACO) (589) HCS KANSAS CITY MO
590	(VHACO) (590) MC HAMPTON VA
593	(VHACO) (593) HCS LAS VEGAS NV
594	(VHACO) (594) MC LAKE CITY FL
595	(VHACO) (595) MC LEBANON PA
596	(VHACO) (596) MC LEXINGTON KY
597	(VHACO) (597) HCS LINCOLN NE
598	(VHACO) (598) HCS LITTLE ROCK AR
600	(VHACO) (600) HCS LONG BEACH CA
603	(VHACO) (603) MC LOUISVILLE KY
604	(VHACO) (604) MC LYONS NJ
605	(VHACO) (605) MC LOMA LINDA CA
607	(VHACO) (607) MC MADISON WI
608	(VHACO) (608) MC MANCHESTER NH
609	(VHACO) (609) MC MARION IL
610	(VHACO) (610) HCS MARION IN
612	(VHACO) (612) HCS MARTINEZ CA
613	(VHACO) (613) MC MARTINSBURG WV
614	(VHACO) (614) MC MEMPHIS TN
617	(VHACO) (617) HCS MILES CITY MT
618	(VHACO) (618) HCS MINNEAPOLIS MN
619	(VHACO) (619) HCS MONTGOMERY AL
620	(VHACO) (620) HCS MONTROSE NY
621	(VHACO) (621) MC MOUNTAIN HOME TN
622	(VHACO) (622) MC MURFREESBORO TN
623	(VHACO) (623) MC MUSKOGEE OK
626	(VHACO) (626) HCS NASHVILLE TN
627	(VHACO) (627) MC NEWINGTON CT
629	(VHACO) (629) HCS NEW ORLEANS LA
630	(VHACO) (630) HCS NEW YORK NY
631	(VHACO) (631) MC NORTHAMPTON MA
632	(VHACO) (632) MC NORTHPORT L I NY
635	(VHACO) (635) MC OKLAHOMA CITY OK
636	(VHACO) (636) HCS OMAHA NE
637	(VHACO) (637) MC ASHEVILLE NC
640	(VHACO) (640) HCS PALO ALTO CA
641	(VHACO) (641) MC PERRY POINT MD
642	(VHACO) (642) MC PHILADELPHIA PA
644	(VHACO) (644) MC PHOENIX AZ
645	(VHACO) (645) MC PITTSBURGH PA
646	(VHACO) (646) HCS PITTSBURGH PA
648	(VHACO) (648) MC PORTLAND OR
649	(VHACO) (649) HCS PRESCOTT AZ
650	(VHACO) (650) MC PROVIDENCE RI
652	(VHACO) (652) MC RICHMOND VA
653	(VHACO) (653) HCS ROSEBURG OR
654	(VHACO) (654) HCS RENO NV
655	(VHACO) (655) MC SAGINAW MI
656	(VHACO) (656) HCS ST CLOUD MN
657	(VHACO) (657) HCS ST LOUIS MO
658	(VHACO) (658) MC SALEM VA
659	(VHACO) (659) MC SALISBURY NC
660	(VHACO) (660) HCS SALT LAKE CITYUT
662	(VHACO) (662) MC SAN FRANCISCO CA

Station Number	Station Name
663	(VHACO) (663) HCS SEATTLE WA
664	(VHACO) (664) HCS SAN DIEGO CA
665	(VHACO) (665) SCSC SEPULVEDA CA
666	(VHACO) (666) MC SHERIDAN WY
667	(VHACO) (667) MC SHREVEPORT LA
668	(VHACO) (668) MC SPOKANE WA
670	(VHACO) (670) MC SYRACUSE NY
671	(VHACO) (671) HCS SAN ANTONIO TX
672	(VHACO) (672) MC SAN JUAN PR
673	(VHACO) (673) MC TAMPA FL
674	(VHACO) (674) HCS TEMPLE TX
675	(VHACO) (675) MC ORLANDO FL
676	(VHACO) (676) MC TOMAH WI
677	(VHACO) (677) HCS TOPEKA KS
678	(VHACO) (678) HCS TUCSON AZ
679	(VHACO) (679) MC TUSCALOOSA AL
680	(VHACO) (680) MC TUSKEGEE AL
686	(VHACO) (686) MC LEAVENWORTH KS
687	(VHACO) (687) MC WALLA WALLA WA
688	(VHACO) (688) MC WASHINGTON DC
689	(VHACO) (689) HCS WEST HAVEN CT
691	(VHACO) (691) HCS W/LOS ANGELES CA
692	(VHACO) (692) SORCCWHITE CITY OR
693	(VHACO) (693) MC WILKES BARRE PA
695	(VHACO) (695) MC MILWAUKEE WI
700	(VHACO) (700) MBM DUBLIN GA
701	(VHACO) (701) VHASCSEVEN HILLS OH
702	(VHACO) (702) HRC TOPEKA KS
705	(VHACO) (705) ORM WASHINGTON DC
730	(VHACO) (730) CPAC ASHEVILLE NC
731	(VHACO) (731) CPAC MURFREESBORO TN
732	(VHACO) (732) CPAC MADISON WI
733	(VHACO) (733) CPAC ORLANDO FL
734	(VHACO) (734) CPAC LEBANON PA
735	(VHACO) (735) CPAC LEAVENWORTH KS
736	(VHACO) (736) CPAC LAS VEGAS NV
740	(VHACO) (740) HCS HARLINGEN TX
741	(VHACO) (741) HAC DENVER CO
742	(VHACO) (742) HEC ATLANTA GA
752	(VHACO) (752) OC LOS ANGELES CA
756	(VHACO) (756) HCS EL PASO TX
757	(VHACO) (757) ACC COLUMBUS OH
758	(VHACO) (758) OC LAS VEGAS NV
760	(VHACO) (760) CMOP LEAVENWORTH KS
761	(VHACO) (761) CMOP CHELMSFORD MA
762	(VHACO) (762) CMOP TUCSON AZ
763	(VHACO) (763) CMOP DALLAS TX
764	(VHACO) (764) CMOP MURFREESBORO TN
765	(VHACO) (765) CMOP HINES IL
766	(VHACO) (766) CMOP NTH CHARLESTONSC
78	(VHACO) (768) HRC INDIANAPOLIS IN
769	(VHACO) (769) NSO ST LOUIS MO
770	(VHACO) (770) CMOP LEAVENWORTH KS
776	(VHACO) (776) OISC BRECKSVILLE OH
777	(VHACO) (777) EES WASHINGTON DC
785	(VHACO) (785) VCSCOST LOUIS MO
788	(VHACO) (788) MSN ATLANTA GA
791	(VHACO) (791) DDC DENVER CO
792	(VHACO) (792) PAIC BALTIMORE MD
793	(VHACO) (793) UNKNOWN
794	(VHACO) (794) AMS SOMERVILLE NJ
795	(VHACO) (795) SD BELL CA
796	(VHACO) (796) SV&DCHINES IL
797	(VHACO) (797) NAC HINES IL
798	(VHACO) (798) CAI FT DETRICK MD
799	(VHACO) (799) NCPS ANN ARBOR MI

VHA Report

Veterans Health Administration, Department of Veterans Affairs

June 2012

Routing Symbol	Organization Name	Number of Virtual FTEE	Station Code(s)	Projected and Estimated FY13 Total Salary & Benefits
10A2A	Workforce Management and Consulting (10A2A)	197	629, 635, 654	$20,862,819.08
10A2B	Employee Education System (10A2B)	376	777	$38,066,180.17
10A2C	National Center for Organizational Development (10A2C)	45	539	$5,253,318.45
10A2D	Academic Affiliations (10A2D)	18	662, 657, 652	$2,811,923.42
10A3	Office of Finance (10A3)	85	741	$11,936,781.20
10A4B	Quality and Safety (10A4B)	58	799, 405, 528,	$7,910,115.71
10NA1	Emergency Management (10NA1)	94	613, 640,	$11,524,772.13
10NA2	Procurement & Logistics (10NA2)	2183	308, 358, 459, 460, 481, 483, 493, 501, 502, 503, 504, 506, 508, 509, 512, 515, 516, 517, 519, 520, 521, 526, 528, 529, 534, 538, 539, 540, 541, 542, 544, 546, 548, 550, 552, 553, 554, 557, 558, 562, 564, 565, 570, 573, 580, 583, 586, 589, 590, 595, 598, 600, 610, 612, 613, 619, 623, 626, 629, 635, 637, 640, 642, 644, 646, 648, 649, 652, 654, 655, 659, 662, 667, 672, 673, 675, 678, 679, 688, 693, 695, 701, 730, 741, 756, 757, 777	$192,808,935.46
10NA8	Occupational Safety & Health Management (10NA8)	31	657	$3,493,787.15
10NB1	CBO Member Services	1075	702, 742	$69,625,011.35
10NB2	CBO Purchased Care	909	741	$67,534,071.82
10NB3	CBO Revenue Operations	3378	730, 731, 732, 733, 734, 735, 736	$202,937,428.71
10NC1	Homelessness (10NC1)	44	518, 541, 561, 640, 642, 673, 691	$5,383,871.19
10NC2	Surgical Services (10NC2)	27	648, 554	$2,852,562.44
10NC5	Mental Health Operations (10NC5)	281	506, 518, 520, 523, 549, 640, 689, 528A5	$25,429,255.24
10NC6	Supply Processing & Distribution (SPD) (10NC6)	1	539	$131,019.89
10NC7	Dental (10NC7)	1	688	$259,381.75
10NC9	Rural Health Operations (10NC9)	1	402	$74,910.26
10P	DUSH for Policy and Services (10P)	1	506	$68,654.69

Veterans Health Administration, Department of Veterans Affairs—Continued

June 2012

Routing Symbol	Organization Name	Number of Virtual FTEE	Station Code(s)	Projected and Estimated FY13 Total Salary & Benefits
10P1	ADUSH Policy & Planning (10P1)	23	573, 695, 741	$2,472,482.37
10P2	ADUSH for Informatics and Analytics (10P2)	385	776	$52,233,196.30
10P3	Public Health (10P3)	35	640, 648, 688, 689	$5,628,044.62
10P4	Patient Care Services (10P4)	1266	405, 459, 506, 512, 523, 528, 531, 539, 541, 549, 552, 554, 558, 573, 578, 580, 581, 583, 586, 590, 595, 598, 603, 608, 612, 630, 631, 636, 637, 640, 642, 648, 652, 656, 660, 662, 663, 678, 688, 689, 691, 695, 700, 760, 761, 762, 763, 764, 765, 766, 770	$148,395,138.66
10P6	National Center for Ethics (10P6)	11	663, 630	$1,774,598.68
10P7	Health Information (10P7)	199	776	$27,949,107.19
10P8	Readjustment Counseling (10P8)	1790	402, 405, 436, 437, 438, 442, 459, 460, 463, 501, 502, 503, 504, 506, 508, 509, 512, 515, 516, 517, 518, 519, 520, 521, 523, 526, 528, 534, 534, 537, 539, 540, 541, 544, 546, 548, 549, 550, 552, 553, 554, 557, 558, 561, 562, 564, 565, 658, 570, 573, 575, 578, 580, 581, 583, 585, 586, 589, 590, 593, 595, 598, 600, 603, 605, 607, 608, 610, 612, 613, 614, 618, 619, 620, 621, 623, 626, 629, 630, 631, 632, 635, 636, 640, 642, 644, 646, 648, 649, 650, 652, 653, 654, 655, 657, 658, 659, 660, 662, 663, 664, 667, 668, 671, 672, 673, 674, 675, 676, 678, 687, 688, 689, 691, 693, 695, 740, 756, 757	$149,285,418.34
10P9	Research & Development (10P9)	85	508, 558, 618, 644, 688, 792	$10,546,783.98
10R	Research Oversight (10R)	25	508, 518, 578, 605	$3,704,951.16
	Total	12624		$1,070,954,52142

Question 3. In October 2011, the House of Representatives passed H.R. 2302, which included a provision that would require VA to submit to Congress quarterly reports outlining the cost for conferences or meetings sponsored by VA that have at least 50 attendees or cost $20,000 or more.

a. During fiscal year 2011, how many conferences or meetings did VA sponsor that met those criteria and what was the total cost of those conferences and meetings?

Response. On August 24, 2012, VA provided the Committee with consolidated training conference data from January 1, 2005 through July 1, 2012.

b. For fiscal year 2011, please identify the 25 most expensive conferences or meetings sponsored by VA, the locations of those conferences or meetings, and the purposes of those conferences or meetings.

Response. On August 24, 2012, VA provided the Committee with consolidated training conference data from January 1, 2005 through July 1, 2012.

c. During fiscal year 2012, how many conferences or meetings does VA expect to sponsor that meet those criteria and how much in total is expected to be expended on those conferences or meetings?

Response. On August 24, 2012, VA provided the Committee with consolidated training conference data from January 1, 2005 through July 1, 2012.

d. For fiscal year 2012, please identify the 25 most expensive conferences or meetings already sponsored or expected to be sponsored by VA, the locations of those conferences or meetings, and the purposes of those conferences or meetings.

Response. Please see the answer to 3c.

e. For fiscal year 2013, what is the total amount requested for purposes of holding conferences or meetings that meet those criteria and how many conferences or meetings would that funding level support?

Response. FY 2013 first quarter executed training conferences and estimated second quarter data are expected to be provided in VA's report to Congress as required by Public Law 112–154.

f. For conferences or meeting events that cross fiscal years and are multi-sessioned (i.e., VA Senior Executive Strategic Leadership Course), please note the fact that they are sub-parts of a larger conference or meeting.

Response. On August 24, 2012, VA provided the Committee with consolidated training conference data from January 1, 2005 through July 1, 2012. That data provided start and end dates, the training conference title, location, number of participants, total obligations, and a web URL where available.

Question 4. During fiscal year 2010, VA created the National Outreach Office in the Office of Public and Intergovernmental Affairs with the stated goal to "standardize how outreach is being conducted throughout VA." In follow-up questions to the hearing on the fiscal year 2012 budget, VA was asked to provide the total amount VA, as an enterprise, spent on outreach during fiscal year 2010. VA responded by stating, "[w]hile we are not currently able to extract the total spending for outreach across the department for [fiscal year] 2010 and [fiscal year] 2011, we are working diligently toward that goal for [fiscal year] 2012."

a. Please provide the total amount VA spent on outreach during fiscal year 2010 and fiscal year 2011 and estimates for how much will be spent during fiscal years 2012 and 2013. The data should include a breakdown of money spent by VA Central Office, Veterans Integrated Service Networks (VISNs), Regional Offices, and VA medical centers.

Response. VA created the National Veterans Outreach Office (NVO) within the Office of Public and Intergovernmental Affairs (OPIA) in FY 2010 to coordinate outreach throughout VA, and to standardize outreach-related activities. The NVO has made considerable progress in researching and analyzing VA's outreach programs and activities in 2011, and has already developed a framework to track outreach efforts that are part of VA's major initiatives. The final frameworkincludes building a process for VA's administrations (Veterans Health Administration, Veterans Benefits Administration and National Cemetery Administration) and staff offices to:

- provide Veterans with high-quality products and information on activities that are consistent;
- provide trained outreach coordinators to assist Veterans;
- evaluate and develop metrics to measure the effectiveness of outreach programs; and
- track costs associated with outreach programs.

The embedded table, previously provided to the Committee in March 2012, gives expenditure data on advertising outreach, a component of VA's outreach efforts. Outreach through advertising is targeted to helping VA reach Veterans who may be contemplating suicide; struggling with homelessness, unemployment, or mental illness; for those Veterans who live in rural areas; to make Veterans aware of available benefits and services; and VA hiring and recruitment. Table 1 details VA advertising activities and obligations for the period 2009–2012 and planned for 2013.

The mechanisms for advertising outreach activities have included Public Service Announcements, multi-media projects, Internet promotion, transportation and billboard advertisements. Outreach activities and events for Homeless Veterans Outreach, Health Benefits Awareness, Mental Health Awareness, Women Veterans Outreach and Suicide Prevention Outreach will continue in 2013 using earned media, including news releases, social media, fact sheets, printed materials, etc. FY 2013 funding to supplement these activities with paid advertising will be determined as part of the operational planning process.

DEPARTMENT OF VETERANS AFFAIRS – MAY 2012

Table 1

Department of Veterans Affairs

Advertising Outreach Activities, 2009-2013

	2009	2010	2011	2012	2013	Total, 2009-2013
Veterans Health Administration (VHA)						
Veterans Awareness Outreach	--	5,000,000		7,500,000	7,500,000	15,000,000
Homeless Veterans Outreach	--	--	5,000,000	5,000,000	--	10,000,000
Health Benefits Awareness	--	15,000	1,288,645	197,775		1,501,420
Mental Health Awareness	--	--	--	6,000,000	--	6,000,000
Women Veterans Outreach	--	--	6,000	--	--	6,000
Suicide Prevention Outreach	1,831,467	2,527,610	750,000	750,000	--	5,859,077
Other Outreach(1)	4,200,000	16,500,100	4,207,500	12,508,925	--	37,416,525
Subtotal, VHA	***6,031,467***	***24,042,710***	***11,252,145***	***31,956,700***	***7,500,000***	***80,783,022***
Veterans Benefits Administration (VBA)						
Post-9/11 GI Bill Awareness	--	2,121,726	51,260	--	--	2,172,986
Benefits Awareness	5,500	--	656,417	3,200	--	665,117
Other Outreach (1)	3,285	529	61,261	3,300	--	68,375
Subtotal, VBA	***8,785***	***2,122,255***	***768,938***	***6,500***	--	***2,906,478***
General Administration						
Other Outreach(1)	--	5,700	2,500	--	--	8,200
Subtotal, GenAd	--	***5,700***	***2,500***	***0***	***0***	***8,200***
TOTAL	$6,040,252	$26,170,665	$12,023,583	$31,963,200	$7,500,000	$83,697,700

Note:

/1/ "Other Outreach" includes healthcare recruitment, other job recruitment, website promotion, and job fairs.

b. Does standardizing the outreach efforts of VA include coordinating projects and initiatives at all levels of the organization? If so, please detail how the National Outreach Office has met these goals and please describe what new initiatives the office is undertaking to that end.

Response. Yes, but it is important to note that OPIA only has supervisory authority over those personnel who are assigned or detailed to the National Veterans Outreach Office. In addition, hundreds of other VA employees enterprise-wide assigned to VBA, VHA and NCA are typically involved in outreach activities on any given day; those employees work for and respond to their respective chain of command. In an effort to better coordinate the outreach efforts of all VA employees, VA established a workgroup made up of representatives from VHA, VBA and NCA and VA staff offices, including: Centers for Women and Minority Veterans, Small and Disadvantaged Business Utilization, Homeless Veterans Initiatives Office, Center for Faith Based and Neighborhood Partnerships, and others. In 2011, the NVO held workgroup meetings to solicit input and ideas from headquarters and field facilities; and built buy-in for development and implementation of the plan to coordinate outreach activities and initiatives. OPIA held a national training conference in which "Outreach Day" was a major activity to orient VA's professionals to the outreach plan and obtain their final comments on developing a series of products and resources to improve outreach coordination, collaboration and uniformity across VA. Recognizing the need for centralized outreach management, NVO has developed the first capability to provide critical and consistent information to VA's Outreach community:

- An intranet site that houses important information to enhance how VA Outreach coordinators execute outreach including policies and procedures, the National Veterans Outreach Guide, links to the Congressionally mandated 2010 Biennial Report to Congress on the VA's outreach activities, and other links.
- An online National Veterans Outreach Guide that provides best business practices, expert recommendations, proven examples of successful VA outreach activities in serving Veterans, and lessons learned. This guide outlines processes for how to conduct outreach events, track expenditures, measure the success of activities and tap into key VA resources and contacts, plus so much more.
- Next steps include finalizing a proposal for a robust National Veterans Outreach System (NVOS) which will allow VA Outreach leaders to populate a series of fields with information about planned outreach activities. The NVOS will be an

interactive tool that allows users to systematically and uniformly enter, store, organize, view, retrieve and report outreach-related data easily. The goal of the database is to provide a more advanced, easy-to-use tool that may either be used in concert with existing data collection methods or replace less efficient and effective approaches. It will also provide the data necessary to extract any number of data pulls including the costs associated with outreach in a fiscal year and the number of events executed.

Question 5. The December 2010 report from the National Commission on Fiscal Responsibility and Reform included a recommendation to reduce Federal spending on travel, printing, and vehicles.

a. During fiscal year 2012, how much in total is projected to be expended by VA on travel costs; how much in total is projected to be expended on printing costs; and how much in total is projected to be expended to purchase, lease, operate, or maintain vehicles?

Response.

FY	Administration	Total Employee Travel Costs ($ millions)	Total Printing Costs ($ millions)	Total Fleet Costs ($ millions)	Grand Total Costs ($ millions)
2012	Total VA (Appropriated)	$282	$56	$82	$420
2013	Total VA (Appropriated)	$282	$56	$88	$426

To implement Executive Order 13589, "Delivering an Efficient, Effective and Accountable Government," OMB agreed on a VA cost savings goal of $173 million annually for all spending categories for fiscal years 2012 and 2013. The FY 2013 employee travel target spend and reductions included below are those amounts identified by VA and approved by OMB for compliance with Executive Order 13589; additionally, these amounts have been adjusted to meet requirements related to OMB Memorandum M–12–12, "Promoting Efficient Spending to Support Agency Operations," and have been approved by OMB. With OMB approval, no target has been set for executive fleet because the number of vehicles in VA's fleet is minimal.

FY	Agency	Total Travel Reduction	Total Printing Reduction	Total Supplies Reduction	Total IT Devices Reduction	Mgt Support Contracts Reduction	Grand Total Target Reductions ($ millions)
2012	VA	$56.2	$11.5	$24.8	$11.3	$69.6	$173.4
2013	VA	$58.4	$9.7	$72.1	$15.9	$17.4	$173.5

b. For fiscal year 2013, how much in total is requested for travel costs; how much in total is requested for printing costs; and how much in total is requested to purchase, lease, operate, or maintain vehicles?

Response. See above table in 5a.

Question 6. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA has ordered 25 electric vehicles in order to conduct a "pilot study."

a. What make and model of electric vehicles were ordered, what was the total cost to VA to purchase or lease these vehicles, and what was the total cost to the Federal Government (if different)?

Response. VA is currently scheduled to receive 26 electric vehicles (EVs) through the General Services Administration's (GSA) EV pilot program:

- 5 Think City vehicles
- 1 Nissan Leaf
- 20 Chevrolet Volts

VA is paying the same lease cost for these EVs as for a standard vehicle of a similar class. GSA's pilot program funding covers the incremental costs of the electric vehicles and the acquisition cost of charging stations for the participating agencies. Agencies only pay for the costs associated with installing the charging station at the EV site.

GSA would have information on the cost to purchase or lease these vehicles both for VA and Federal-wide.

b. For fiscal year 2013, how much in total is requested for purposes of this initiative?

Response. No funding is requested.

c. How and where will these vehicles be used?

Response. Most of the vehicles are assigned to VHA facilities in the San Francisco, San Diego, Los Angeles, Detroit and Washington/Baltimore metropolitan areas. One additional vehicle is assigned to VBA in Detroit. VA is deploying each vehicle to the most appropriate use at the selected locations. For example, how the vehicle is used depends on the distance that needs to be traveled, the number of people that must be accommodated, whether or not equipment and/or other supplies are being moved and other related factors.

d. What are the specific objectives of the pilot study and what benchmarks will be used to determine whether it is successful?

Response. The pilot study is a GSA initiative. GSA's stated objectives are to determine if EVs are a cost effective option for Federal fleets, and where and for what kinds of uses. GSA is collecting data electronically from the charging stations and from the agencies leasing the vehicles.

e. Please provide copies of the Executive Decision Memorandum (or comparable document) approving the pilot study and supporting documents of justification and implementation.

Response. The pilot study is a GSA program in which VA, along with other Federal departments and agencies, is a participant. VA does not have access to GSA internal support and approval documentation.

f. What cost comparisons were performed to assess the differential between the costs of operating an electric vehicle fleet versus other types of vehicle fleets (gasoline, natural gas, or hybrid)? Please provide any documentation comparing the costs of electric vehicles with other types of vehicles (gasoline, natural gas, or hybrids).

Response. Under this pilot, GSA pays all operating expenses for leased vehicles in their fleet regardless of fuel type.

Question 7. VA's Central Office houses a number of different entities, including the Office of the Secretary, the Office of Congressional and Legislative Affairs, the Office of Public and Intergovernmental Affairs, and other support offices.

a. How many employees currently are assigned or detailed to each of these respective entities within VA's Central Office? Please identify the status of those employees as permanent or detailed; career or non-career; and GS, SES or SES Equivalent, or other pay scale. Please identify the locations (VISNs, VA medical centers, Veterans Benefits Administration Regional Offices, etc.) from where these employees are being detailed.

Response. As of June 2012, 5 employees were detailed to one of the seven Staff Offices of VA Central Office or the Office of the Secretary (OSVA). Please see the below table.

Staff Office/Office of the Secretary the Employee has been detailed to	Field Office, Administration, or Facility Employee is Detailed From	Employee's Career Status	Employee's Pay Plan
HRA	VHA Employee Education System, VHA	Career	GS
OSVA	Office of Information & Technology/Product Development, OIT	Career	GS*
OSVA	VHA, Executive Correspondence	Career	GS*
OSVA	VBA, Deputy Under Secretary for Benefits	Career	GS*
OSVA	Office of Management, Office of the Assistant Secretary	Career	GS

*Note: Two of the OSVA details ended in July 2012 and one ended in August 2012.

b. If VA's fiscal year 2013 budget request is adopted, how many full-time equivalents would VA expect to be assigned or detailed from outside VA's Central Office to VA's Central Office during fiscal year 2013?

Response. The use of details to one of the seven Staff Offices of VA Central Office or OSVA in FY 2013 cannot be accurately forecasted. Detailee requirements are driven by temporary and short-term emergent workload needs that are not part of the normal budget planning process.

Question 8. For the period October 1, 2010, through December 31, 2011, please provide a listing (without names or other personal identifiers) of those VA employees who have been approved to receive, or have received, Recruitment, Relocation and/or Retention Incentives. It is requested that the listing include the employee's grade (SES, SES Equivalent, title 38, GS, etc.); duty station (VA Central Office, VA

Field location—VISN, VAMC, VBA regional office, etc.). Please list the amount approved for each Incentive category.

a. For those receiving Relocation Incentives, please list the losing and receiving duty station/location.

Response. The embedded spreadsheet, below, is a listing of individual Recruitment, Relocation and Retention Incentives paid from October 1, 2010 through December 31, 2011, by grade. Losing and receiving duty stations/locations cannot be reported due to system limitations. Incentives payments have been attributed to the Administration or Staff Office where the individual was employed on the date the information was extracted from the Personnel Accounting Integrated Database (PAID) system. In the case of internal VA employee transfers, the incentive may actually have been paid by a different Administration or Staff Office prior to the transfer.

[This extensive information was received and is being held in Committee files.]

b. For those receiving Retention Incentives, please identify the level of approving official (i.e., Secretary, Deputy Secretary, Chief of Staff, Under Secretary, Assistant Secretary, VISN/VA medical center/Regional Office Director, etc.).

Response. VA does not maintain a central electronic file that identifies the approving official for each employee's retention incentives. This information is in locally maintained paper files and would require several months to compile.

VA Handbook 5007, Pay Administration, Part VI, Recruitment and Retention Incentives, documents VA's policy as follows:

> "a. Retention allowances must be approved by an official at a higher level than the one recommending the payment. The authorizing official's signature signifies concurrence with the determination that an allowance is needed to retain a critical VA employee and authorization of the allowance percentage.
>
> "b. The Secretary, or designee, is the approving official for retention allowances for employees occupying positions centralized to that office.
>
> "c. Administration Heads, Assistant Secretaries, Other Key Officials, and Deputy Assistant Secretaries, or their designees, recommend retention allowances for employees occupying positions in their organization which are centralized to the Secretary. They, or their designees, approve retention allowances for employees occupying Central Office (VACO) positions in their organizations, which are not centralized to the Secretary; and employees occupying field positions centralized to their offices.
>
> "d. Facility directors may approve retention allowances for title 38 and title 5 employees in non-centralized positions under their jurisdiction provided that the amount of the allowance, when combined with all other VA payments, does not cause an employee's total pay to exceed the aggregate limit on pay."

The Department is currently updating the incentives policy to reflect higher levels of approval.

c. For those receiving Retention Incentives within the VA Central Office, please further identify the specific office (i.e., Office of Public and Intergovernmental Affairs, VHA Deputy Undersecretary for Health for Operations and Management (DUSHOM), Veterans Benefits Administration Compensation and Pension Service, Office of the Secretary, etc.).

Response. The table below is a summary of Central Office Retention Incentives paid from October 1, 2010 through December 31, 2011, by Staff Office and Administration.

VA CENTRAL OFFICE RETENTION INCENTIVES BY PROGRAM OFFICE/ADMINISTRATION

- Data current as of March 8, 2012
- Data represent employees identified in PAID as Station 101; October 1, 2010 through December 31, 2011
- Retention incentive amounts are cumulative for the time period represented

ORGANIZATION	RETENTION	NUM. EMPLOYEES	NUM. EMPLOYEES WHO RECEIVED A RETENTION INCENTIVE	AGV. INCENTIVE AMOUNT
OFFICE OF THE SECRETARY	$26,142	86	1	$26,142
OFFICE OF GENERAL COUNSEL	$15,891	309	1	$15,891
OFFICE OF PUBLIC AND INTERGOVERNMENTAL AFFAIRS	$11,132	88	1	$11,132
OFFICE OF CONGRESSIONAL AND LEGISLATIVE AFFAIRS	$0	46	0	$0
OFFICE OF POLICY AND PLANNING	$0	110	0	$0
OFFICE OF MANAGEMENT	$0	192	0	$0
OFFICE OF HUMAN RESOURCES AND ADMINISTRATION	$126,812	518	6	$21,135
OFFICE OF OPERATION SECURITY AND PREPAREDNESS	$0	93	0	$0
OFFICE OF INFORMATION TECHNOLOGY	$60,928	442	2	$30,464
OFFICE OF ACQUISITIONS LOGISTICS AND CONSTRUCTION	$60,993	620	5	$12,199
BOARD OF VETERANS APPEALS	$0	360	0	$0
VETERANS BENEFITS ADMINISTRATION	$34,600	864	1	$34,600
VETERANS HEALTH ADMINISTRATION	$423,272	1,266	30	$14,109
NATIONAL CEMETERY ADMINISTRATION	$19,671	213	1	$19,671
TOTAL	$779,442	5,207	48	$20,594

d. For those receiving Retention Incentives, please identify, where applicable, whether the Incentive was being offered because (1) the employee was likely to leave because of retirement; (2) the employee indicated an intent to leave for a different Federal position; or (3) of another authorized reason.

Response. VA does not maintain a central electronic file documenting the approved reasons for each employee's retention incentives. This information is in locally maintained paper files and would require several months to compile.

The Code of Federal Regulations at 5 CFR 575.307 requires VA to establish the required documentation for determining that an employee would be likely to leave the Federal service in the absence of a retention incentive. VA Handbook 5007, Pay Administration, Part VI, Recruitment and Retention Incentives, documents VA's policy as follows:

> "Evidence that the Employee is Likely to Leave Federal Employment. Each supervisor shall make a separate certification that an employee, or for group authorizations, a significant number of employees in the group, is likely to leave Federal. This certification will only be made when the supervisor is reasonably convinced that the employee is likely to leave Federal service. Such a certification may be based on:
>
> "(1) Receipt by an employee, or for group authorizations, a significant number of employees, of one or more *bona fide* offers of employment, as evidenced by a formal written job offer or affidavit signed by the employee or employees providing the position and salary being offered, the name and location of the organization, and the prospective date of employment; or
>
> "(2) Evidence of high demand in the private sector for the knowledge and skills possessed by the employee or group of employees and significant pay disparities between Federal and non-Federal salaries; or
>
> "(3) A discussion with the employee of the employee's career plans."

A supervisor's certification documenting the reason for determining the likelihood of an employee leaving Federal employment should be included in each retention incentive case file. However, VA's OIG November 14, 2011, audit of retention incentives for VHA and VA Central Office cited case files that lacked documentation to support VA retention incentive decisions, including supervisors' certifications that

the employees were likely to leave Federal service in the absence of monetary incentives were missing from some files. VA senior officials concurred with OIG report recommendations and provided acceptable corrective action plans which are currently being implemented.

Employees who intend to leave VA for another Federal position may be granted a retention incentive only if VA has provided a general or specific written notice that the employee's position may or would be affected by the closure or relocation of the employee's office, facility, activity, or organization, per 5 CFR 575.315(b)(3).

Question 9. Last year, the Committee learned that VISN 20 contracted with a company called Values Coach, Inc., for $394,000. In a response to an inquiry from the Committee, VA indicated that VISN 20 hired Values Coach to design a program "to enhance performance in the area of customer satisfaction."

a. For fiscal year 2012, how much was spent across all VISNs on customer services contracts to enhance customer satisfaction?

Response. See embedded attachment. Please note the expenditures reflected for the VISNs in the spreadsheet cover a wide range of expenditures that fall under the general category of customer satisfaction efforts including implementation of a system in VISN 6, for example, that enables the tracking of customer satisfaction at the clinic level.

Amount Spent on Customer Services Contracts to Enhance Customer Satisfaction

Department of Veterans Affairs—April 2012

VISN/NCO Number	(a) Amount Spent on Customer Services Contracts for Fiscal Year 2012 to April 2012	(b) Amount Projected to Spend on Customer Services Contracts for Fiscal Year 2013
VISN 1	0	Unknown
VISN 2	0	Unknown
VISN 3	0	Unknown
VISN 4	0	Unknown
VISN 5	0	Unknown
VISN 6	est. 644,630	Unknown
VISN 7	0	Unknown
VISN 8	0	Unknown
VISN 9	0	0
VISN 10	377250	170000
VISN 11	0	0
VISN 12	278950	46100
VISN 15	0	0
VISN 16	0	0
VISN 17	0	0
VISN 18	0	0
VISN 19	0	0
VISN 20	192100	10000
VISN 21	0	0
VISN 22	0	0
VISN 23	58305	53805
Totals	$1,551,235	$279,905

b. For fiscal year 2013, how much will be spent across all VISNs on customer services contracts to enhance customer satisfaction?

Response. Please see embedded attachment for question 23a.

c. For the VISN 20 Values Coach contract, please describe the metrics used to determine whether customer satisfaction changed as a result of this contract.

Response. Since October 2010, the VISN 20 "Culture of Change" Steering Committee has overseen initiatives, including the Values Coach contract, to assist with transitioning the organization to a more Patient-Centered Culture. The Committee analyzes employee survey scores, facilitates educational opportunities for employees, and seeks improvement in Labor-Management relationships. The Values Coach contract enabled VISN 20 facilities' staff to improve their adoption of a patient-centered culture. This was assessed through meetings, town halls and other venues. The services offered help teach patient-centered values, Plain Tree and other concepts.

d. Please provide a detailed description of the process required to secure contracts for customer service training to enhance customer satisfaction.

Response. The process for securing a contract begins with a clear requirement, typically established by a program manager. Establishing the requirement and determining that a contract is required to meet it, may involve several levels of review and discussion. In VISN 20, the network leadership adopted an initiative that had shown success in one of its Medical Centers and extended it throughout the VISN. In this instance, the requirement identified is the need to enhance client focus of staff throughout a medical center—this is a cultural change and requires the support of professionals who have been able to deliver comparable changes at multiple layers of a hospital organization. In these instances, it may be suitable for a contractor's services to be retained by the government. As stated earlier, since October 2010, the VISN 20 "Culture of Change" Steering Committee has overseen initiatives, including the Values Coach contract, to assist with transitioning the organization to a more Patient-Centered Culture. The Committee analyzes employee survey scores, facilitates educational opportunities for employees and seeks improvement in Labor-Management relationships.

As it relates to the process to secure contracts, the requesting office defines their requirement and provides the contracting officer with procurement and funding documentation. Based on the information provided and market research results, contracting decides the acquisition strategy. A solicitation is then created and released to potential offerors. Upon receipt of the offer, a technical evaluation panel evaluates the offers based on the evaluation factors in the solicitation. Following evaluation of the final offerors, contracting selects the offerors whose proposal is most advantageous and provides the best overall value to the Government, consistent with the evaluation factors established in the solicitation. Best value awards are made against Federal Supply schedules. Contract requirements are reviewed by warranted Contracting Officers. If required, a legal review may be performed by OGC.

Once the requirement is established, VHA's contract oversight process will be applied to securing a contract to meet the requirement. VHA contracting oversight process focuses on ensuring that all contracting regulations have been followed. The Integrated Oversight IL, IL001AL–09–02, guides the contract review process for all of VA [see attached]. The process for contract review is dependent upon the contract value. Typically, the higher the dollar value, the more levels of review, including a review by legal. Contracting oversight ensures that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met (see references FAR 1.602–1 Authority, paragraphs (a) and (b) provided below).

The contracting office determines if a requestor's requirement is appropriate and necessary based on the supporting documentation provided. A contracting officer's role is to be a business advisor in relation to the procurement strategy and to ensure the proper contracting regulations are followed. If the requestor requests a particular brand name, or vendor (sole source) for example, the requestor is responsible for providing supporting justification/documentation to the contracting office, and the contracting office is responsible for approving or rejecting the request based on the supporting justification/documentation provided. For example, if a doctor requires a particular piece of equipment to perform a surgery or an engineer has particular design requirements, contracting will review supporting documentation provided by the requestor and determine if the requirements are appropriate and necessary.

Reference:

FAR 1.602–1 Authority, paragraphs (a) and (b), state, contracting officers have authority to enter into, administer, or terminate contracts and make related determinations and findings. Contracting officers may bind the Government only to the extent of the authority delegated to them. Contracting officers shall receive from the appointing authority (see 1.603–1) clear instructions in writing regarding the limits of their authority. Information on the limits of the contracting officers' authority shall be readily available to the public and agency personnel. No contract shall be entered into unless the contracting officer ensures that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met.

ATTACHMENTS FOR QUESTION 9D FOLLOW:

DEPARTMENT OF VETERANS AFFAIRS
Deputy Assistant Secretary for Acquisition and Logistics
Washington, DC 20420

IL 001AL-09-02
June 19, 2009

OFFICE OF ACQUISITION AND LOGISTICS INFORMATION LETTER

TO: Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Director, Office of Construction and Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Acquisition and Logistics Center, VA Austin Information Technology Center, Records Management Center, VBA Benefits Delivery Centers, VA Health Administration Center; Executive Director and Chief Operating Officer, VA National Acquisition Center; VA Health Revenue Center; VA Health Eligibility Center and Chief Information Officer

ATTN: Heads of the Contracting Activities (HCAs) and Department of Veterans Affairs (VA) Contracting Officers (COs)

SUBJ: Integrated Oversight Process (IOP)

I. Background

A. Over the past several months, VA has worked to establish a more fluid, less labor intensive oversight process that replaces the traditional technical reviews with peer reviews, Contract Review Teams (CRTs), and Contract Review Boards (CRBs). The overall goal is to implement an oversight process that is efficient in how time and resources are allocated and effective by holding COs responsible for building quality during the process, rather than after the fact.

B. By distributing responsibility for reviews, VA will model the best practices being used at other federal agencies. This new oversight system promotes quality throughout the acquisition cycle and an infrastructure that is sustainable over the long-term. It is understood that moving to a distributed oversight process represents a significant change to the culture within VA. Over the next several months, the Office of Acquisition, Logistics, and Construction (OALC) will continue to provide training and guidance for COs and Legal Counsel to reinforce and refine this process, as necessary.

C. Note that legal reviews are part of the oversight process. See Attachment 1 for the applicable thresholds. While feedback from Legal Counsel is advisory in nature, the CO is urged to adhere to any legal advice to prevent unknown violations of law and/or regulation and to minimize litigation risks associated with protests and contract claims. If the CO decides not to adhere to the Legal Counsel's advice, a justification must be provided in the file. Ultimately, the CO is responsible and accountable for the quality and accuracy of all contracting packages.

II. Policy

A. Effective immediately, reviews for all acquisitions will be conducted within each Administration and Veterans Integrated Service Network (VISN) operating unit. The role of the Office of Acquisition and Logistics (OAL) will be to strategically monitor this process and provide guidance and feedback to each buying unit as a means to continuously improve the process. In accordance with the IL, each acquisition organization will be responsible for conducting reviews. The OAL Risk Management Team will mentor, as needed, before packages are sent to the Office of General Counsel (OGC), Professional Staff Group (PSG) V or Regional Counsel Office. This process will continue until the end of the fiscal year, at which time the organizations will work directly with OGC, with no OAL Risk Management Team involvement.

B. The processes described in this Information Letter (IL) and thresholds defined in Attachment 1 supersede any policy that currently exists in the Veterans Affairs Acquisition Regulation (VAAR) or preceding ILs.

C. It is the responsibility of each HCA to ensure that the appropriate structures and processes are in place to conduct these reviews. See section III of this Information Letter for guidance on the composition of CRTs and CRBs.

D. Note that some form of independent review must be done for all acquisition actions above the Simplified Acquisition Threshold (SAT). For actions above the SAT, but below the CRT thresholds (see Attachment 1), peer or second-level reviews will suffice. Under no circumstances shall a CO release a solicitation or sign a contract/modification at any value unless a peer or second-level review is conducted. Any review comments must be documented in the file.

E. Each HCA, or their designees, will meet monthly with the responsible OGC, i.e. PSG V or Regional Counsel to analyze specific review comments to identify any systemic issues associated with adherence to

policies and procedures. This analysis will be shared with COs to help improve performance and to target any remedial training needs.

III. Major Tenets of the IOP

A. CRTs – For actions whose life cycle costs fall within the thresholds established in Attachment 1, CRTs must be assembled. The CRT will be composed of acquisition and legal professionals assigned by the HCA or designee and OGC Legal Counsel. The primary purpose of the CRT is to ensure that contract files are appropriately documented and the acquisition complies with this IL, the Federal Acquisition Regulation, the Veterans Affairs Acquisition Regulation (subject to paragraph 2 of section II above), and any other VA acquisition policy. To ensure the CRT adds maximum value and integrity to the process, it should be composed, to the maximum extent possible, of acquisition professionals who are not directly involved with the specific acquisition. At least one member of the CRT should have a Federal Acquisition Certificate in Contracting at a level equal to or greater than the value of the specific procurement.

CRT Findings

1. A series of comprehensive guides and checklists have been developed to serve as guidance for reviewers to follow. They can be found at the Acquisition Resource Center which is contained within the Electronic Contract Management System, or eCMS.
(Please see the following website:
http://arc.aac.va.gov/Acquisition/Pages/ARCHome.aspx)

2. The forms in Attachment 3 shall be completed and signed by the CO and submitted with the file to the CRT. Review comments from the CRT will be given to the CO and inserted into the contract file. The CO has the discretion to follow the advice of the CRT and is ultimately responsible and accountable for the quality and accuracy of all contracting packages.

B. CRBs – The CRB is responsible for reviewing all acquisitions at the solicitation and pre-award phases whose total value is estimated to exceed $5 million. The key phases are prior to release of solicitation; before commencement of negotiations and prior to award. The CRB should be composed of seasoned professionals.

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1. Role of CRB:

   a. Serve as the principals responsible for review of acquisitions above $5 million;

   b. Minimize vulnerabilities leading to potential protests, disputes, claims, and litigation against VA;

   c. Ensure compliance with established federal and VA acquisition policies and procedures;

   d. Provide senior level advice on contracting actions and support to the CO;

   e. Provide consistency across VA; and,

   f. Improve the knowledge of VA acquisition personnel as they embrace and implement good business practices.

2. CRB Membership

   Membership should include:

   a. A Chairperson who should be the HCA or senior level designee;

   b. An assigned representative from OGC's PSG V or Regional Counsel who are non-voting members;

   c. Technical advisors who may be appointed by the CRB chair to inform on technical matters, as they are non-voting members.

3. Exceptions to CRB

   Pre-award CRB reviews are not required for proposed Federal Supply Schedule (FSS) awards at the National Acquisition Center. The standard pre-award review process for proposed FSS awards will apply.

4. Waivers for CRB

   The HCA may:

   a. waive any CRB requirement included herein; or,

b. require a CRB for any contract action not identified in this policy.

(Note: For any waiver granted under clause "a" above, the HCA must document the file detailing each rationale for the waiver.)

5. CRB Process

a. The CO will prepare a pre-solicitation or pre-award package and submit it to the designated Chairperson. This package should include all pertinent documents, including, but not limited to, the solicitation or proposed contract, acquisition plan, and price negotiation memorandum.

b. The Chairperson of each CRB will conduct a "Go/No Go" review to determine if the package contains all the required documents. If the submission does not pass this initial review, the Chairperson will notify the submitting CO of the specific deficiencies before scheduling a full CRB review.

c. After accepting the documentation, the Chairperson will schedule a meeting of the CRB at the earliest opportunity.

d. In the event that the CRB identifies the need for mandatory corrective action, the Chairperson will advise the CO not to proceed until the corrective action is taken.

e. The cognizant CO will annotate the file to explain the disposition of both mandatory and advisory CRB finding. Written responses to the CRB are required for mandatory findings only. The CO may be required to resubmit all or part of the package as directed by the CRB. Awards may not be made until mandatory findings are implemented.

6. CRB Findings (See Attachment 2)

a. CRB findings are categorized as mandatory or advisory. The CO must address mandatory findings. The CO must advise the CRB in writing, within three business days (or such longer period granted by the Chairperson in writing) after receipt of CRB mandatory findings, of the corrective action taken for each finding.

b. Each CRB may provide advisory findings. The CO must annotate the file as to the disposition of advisory findings.

c. Submitted documentation must include all previous CRB comments including the corrective action the CO took to address all findings.

d. Awards may not be made until the CO addresses all pre-award findings.

IV. Legal Reviews

For acquisition actions whose total value (including options) falls within the dollar ranges established in Attachment 1, a legal review is required. The primary purpose of this review is to ensure that the action fully complies with applicable laws and regulations. While feedback from Legal Counsel is advisory in nature, the CO is urged to adhere to any legal advice to prevent unknown violations of law and/or regulation and to minimize litigation risks associated with protests and contract claims.

If the CO decides not to adhere to the Legal Counsel's advice, a justification must be documented in the file. Ultimately, the CO is responsible and accountable for the quality and accuracy of all contracting packages.

V. Pont of Contact

Please direct questions regarding the new oversight process to Division of Risk Management and Compliance (001AL-P3) at (414) 902-5405.

Maurice C. Stewart
Associate Deputy Assistant Secretary for
Acquisition & Logistics Programs and Policy

Attachments (3)

7.
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Attachment 1-

Integrated Oversight Process

Action	Contract Review Teams (CRTs)	Legal Review Thresholds	CRB
(a) Supply or service solicitations or request for quotations (except as listed below or provided in VAAR 801.602-72 through VAAR 801.602-75) (includes indefinite delivery, option year, and multi-year solicitations or RFQs	$1 million - $5 million	$500,000- $5 million	> $5 million
(b) If Supply or service procured is a consolidated acquisition activity performing acquisitions for three or more physically separated VA medical centers (excluding outpatient clinics)	$500,000- $5 million	$500,000- $5 million	> $5 million
(c) Fixed price, sealed bid construction solicitations, construction solicitations other than 8(a) construction solicitations	$2 million – $5 million	$2 million – $5 million	> $5 million
(d) 8(a) construction solicitations and task orders	$2 million – $5 million	$2 million – $5 million	> $5 million
(e) Request for Proposal (negotiated) construction solicitations and task orders	$1.5 million – $5 million	$1.5 million – $5 million	> $5 million
(f) Solicitations or RFQs for proposed task/delivery orders against basic contracts, GWACs or blanket purchase agreements (includes orders under Federal Supply Schedule contracts*) (1) Where price is the only factor (2) Which include non-price evaluation factors (3) Which include services * Exceptions include High Tech Medical Equipment	(f)(1) CRT is not required (f)(2) $1 million – $5 million (f)(3) $1 million – $5 million	(f)(1) Legal Review not required (f)(2) $1 million – $5 million (f)(3) $1 million – $5 million	> $5 million > $5 million > $5 million
(g) Solicitations for cost-reimbursement, incentive, time-and-materials, and labor-hour contracts (see VAAR 816.102(b))	$100,000 – $5 million	$100,000 – $5 million	> $5 million
(h) Utility service agreements	$100,000 – $5 million	$100,000 – $5 million	> $5 million
(i) Solicitations for advisory and assistance services (see VAAR 837.2)	$100,000 – $5 million	$100,000 – $5 million	> $5 million
(j) Proposed letter contracts and ensuing formal Contracts	$100,000 – $5 million	$100,000 – $5 million	> $5 million

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Action	Contract Review Teams (CRTs)	Legal Review Thresholds	CRB
(k) Any Proposed agreement that is unique, novel or unusual	All	All	> $5 million
(l) Documents relating to Bonds FAR 28.102-1 FAR 28.203	All	All	
(m) Solicitations or proposed contracts containing an economic price adjustment clause (other than a pre-approved VA clause) based on a cost index of material or labor or where one of the economic price adjustment clauses specified in FAR 16.203-4 is used	All	All	> $5 million
(n) Proposed multi-year contracts where the cancellation ceiling exceeds 20% of the contract amount, regardless of the dollar value of the proposed contract (VAAR 817.105-1(b))	All	All	> $5 million
(o) Proposed solicitations where the contract term total of the basic and option periods may exceed 5 years, regardless of the dollar value of the proposed acquisition (VAAR 817.204).	All	All	> $5 million
(p) Membership agreements in a group purchasing organization	$25,000	$25,000	
(q) Request a legal review if a proposed termination settlement or determination of amounts due the contractor under a terminated contract involves the expenditure of $100,000 or more	--	$100,000	
(r) Consignment agreements with an anticipated expenditure of $250,000 or more per year (except under an FSS contract)	$250,000	$250,000	> $5 million
(s) Proposed contract with hotels or similar facilities for conferences or similar functions where VA's commitment, expenditure and liability (combined) exceed $25,000	$25,000	$25,000	> $5 million
(t) Requirements for scarce medical specialist contracts and contracts for health-care resources under 38 U.S.C. 7409 or 38 U.S.C. 8153:			
Competitive solicitation, quotation, proposed contract or agreement with an anticipated value of >$1.5M including options.	$1,500,000	$1,500,000	> $5 million
Each non-competitive solicitation, quotation, proposed contract, or agreement with an anticipated value of or > $500,000.	$500,000	$500,000	> $5 million

9.
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Action	Contract Review Teams (CRTs)	Legal Review Thresholds	CRB
(u) Mistakes in Bids	All	All	
(v) Modifications (except for priced options)	All	All	> $5 million
1) When modification is $100,000 or more (i) Construction (ii) Supplies and/or Services	$100,000	$100,000	
2) When the modification is for a time extension of 60 days or more.	All	All	
3) When the contractor takes exception to VA's accord and satisfaction language.	All	All	
4) Novation	All	All	
5) Change-of-name agreement	All	All	
(w) Assignment of Claims	All	All	
(x) Interagency Acquisitions (IAs)			
1) Each proposed VA Central Office IA with another Federal agency to be awarded under authority of the Economy Act, regardless of dollar value.	All	All	> $5 million
2) Each proposed VA field facility IA with another Federal agency awarded under authority of the Economy Act involving an anticipated expenditure of VA funds of $250,000 or more.	$250,000	$250,000	>$5 million

PAGE 1 OF 2 ATTACHMENT 2

CONTRACT REVIEW BOARD (CRB) SUMMARY SHEET- ACTIONS ABOVE $5 MILLION

[ ]SOLICITATION [ ]PRE-NEGOTIATIONS [ ]PRE-AWARD

DESCRIPTION OF SUPPLY OR SERVICE				Solicitation No: Estimated Amount: Issuance Date: Closing Date:	Award Date:
CUSTOMER	Administration: [ ]VHA: VISN _____ MC _____ [ ]VBA [ ]VACO [ ]NCA	Office:	Program Manager:	Contracting Officer:	Contract Specialist:
OTHER	[ ] Supply [ ] Service* [ ] A&A	*If Service, is this a Performance-Based Acquisition (PBA)? [ ] Yes [ ] No If no, why not?			POP:
COMPETITION (FAR Part 6)	[ ] Full & Open App. FAR Part:	[ ] Set-Aside: Type: App. FAR Part:	[ ] Other than F&O Type: App. FAR Part:	[ ] GSA FSS: Schedule: App. FAR Part:	[ ] Commercial Item App. FAR Part:
CONTRACT TYPE (FAR Part 16)	Fixed-Price: [ ] Firm Fixed-Price [ ] FP/EPA [ ] FPI [ ] FP/LOE	Cost Reimbursement: [ ] CPIF [ ] CPAF [ ] CPFF [ ] Cost Sharing	Incentive: [ ] Cost [ ] Delivery [ ] Price (Award Fee) [ ] Performance	Indefinite Delivery: [ ] ID/IQ [ ] Requirements	Other: [ ] T&M [ ] LH [ ] Letter [ ] BOA
SPECIAL PROVISIONS				Min Qty: Est. Qty: Max Qty:	Ceiling:
SOLICITATION	Number of Firms Solicited (if other than F&O):	Date Published in FedBizOpps:	Date of Pre-proposal Conf. (if applicable):	Date Due Diligence Held (if applicable):	Date Offers Received:
PRE-NEGOTIATIONS	Number of Offers Received:	Date Tech Eval Received:	Number in Competitive Range (if applicable):		
PRE-AWARD	Date Negotiations Completed:	Final Proposal Revisions Received:	Proposed Awardee or Awardees:	Proposed Award Amount(s):	Proposed Award Date:
APPROVE SIGNATURES/DATES		CRB CHAIR	SUPERVISORY CONTRACT SPECIALIST	GENERAL COUNSEL	PROCUREMENT ANALYST
	SOLICITATION				
	PRE-AWARD				

CONTRACT REVIEW BOARD (CRB) SUMMARY SHEET, PAGE 2 OF 2

MANDATORY FINDINGS	ADVISORY FINDINGS

PAGE 1 OF 2 ATTACHMENT 3

CONTRACT REVIEW TEAM (CRT) SUMMARY SHEET- ACTIONS BELOW $5 MILLION

[ ] SOLICITATION [ ] PRE-NEGOTIATIONS [ ] PRE-AWARD

DESCRIPTION OF SUPPLY OR SERVICE				Solicitation No: Estimated Amount: Issuance Date: Closing Date:	Award Date:
CUSTOMER	Administration: [ ]VHA: VISN _____ MC _____ [ ]VBA [ ]VACO [ ]NCA	Office:	Program Manager:	Contracting Officer:	Contract Specialist:
OTHER	[ ] Supply [ ] Service* *[ ] A&A	*If Service, is this a Performance-Based Acquisition (PBA)? [ ] Yes [ ] No If no, why not?			POP:
COMPETITION (FAR Part 6)	[ ] Full & Open App. FAR Part:	[ ] Set-Aside: Type: App. FAR Part:	[ ] Other than F&O Type: App. FAR Part:	[ ] GSA FSS: Schedule: App. FAR Part:	[ ] Commercial Item App. FAR Part:
CONTRACT TYPE (FAR Part 16)	Fixed-Price: [ ] Firm Fixed-Price [ ] FP/EPA [ ] FPI [ ] FP/LOE	Cost Reimbursement: [ ] CPIF [ ] CPAF [ ] CPFF [ ] Cost Sharing	Incentive: [ ] Cost [ ] Delivery [ ] Price (Award Fee) [ ] Performance	Indefinite Delivery: [ ] ID/IQ [ ] Requirements	Other: [ ] T&M [ ] LH [ ] Letter [ ] BOA
SPECIAL PROVISIONS				Min Qty: Est. Qty: Max Qty:	Ceiling:
SOLICITATION	Number of Firms Solicited (if other than F&O):	Date Published in FedBizOpps:	Date of Pre-proposal Conf. (if applicable):	Date Due Diligence Held (if applicable):	Date Offers Received:
PRE-NEGOTIATIONS	Number of Offers Received:	Date Tech Eval Received:	Number in Competitive Range (if applicable):		
PRE-AWARD	Date Negotiations Completed:	Final Proposal Revisions Received:	Proposed Awardee or Awardees:	Proposed Award Amount(s):	Proposed Award Date:
APPROVE SIGNATURES/DATES		CRB CHAIR	SUPERVISORY CONTRACT SPECIALIST	GENERAL COUNSEL	PROCUREMENT ANALYST
	SOLICITATION				
	PRE-AWARD				

CONTRACT REVIEW TEAM (CRT) SUMMARY SHEET, PAGE 2 OF 2

MANDATORY FINDINGS	ADVISORY FINDINGS

e. Does the Federal Government (VA, Office of Personnel Management, etc.) provide coaching services which would train Federal employees to improve their customer service skills? If so, please describe the program(s) in detail.

Response. At VA, Veterans are our customers. Across our organization we are focused on improving the customer service we provide to Veterans, their families and their survivors. At the Department level, VA provides coaching services for the development and enhancement of executive leadership skills. This coaching heightens the awareness and emotional intelligence of leaders, which in turn yields better outcomes for customers, employees, and the organization at-large. VA Executive coaching is available to newly appointed Senior Executive Service (SES) members and existing SES who have taken on a new responsibility level. Coaches are affiliated with the Center for Creative Leadership, and have many years of experience working with executives and leaders from a variety of organizations (public and private). Additionally, there are several opportunities for coaching embedded in VA Learning University sponsored training.

More broadly, in 2011 the Department announced VA Core Values and Characteristics that apply universally across all of VA. The Core Values are the basic elements of how we go about our work—they define "who we are"—and form the un-

derlying principles we use every day in our service to Veterans. The Core Characteristics define "what we stand for" and what we strive to be as an organization. The Values are Integrity, Commitment, Advocacy, Respect and Excellence ("I CARE"). The Core Characteristics help guide how we will perform our core mission; they shape our strategy, and will influence resource allocation and other important decisions made within VA. The Characteristics are Trustworthy, Accessible, Quality, Agile, Innovative, and Integrated.

A few examples of the many ways VA focuses on customer service are included below.

In VBA, all call center agents are required to complete a telephone techniques training program. This program focuses on effective customer service and active listening skills, acknowledgement of customers' feelings, and effective call management techniques. Call center agents also complete call simulations training, which allows the agents to apply their skills via role playing scenarios. As part of VBA's standard quality review process, all call center agents receive a monthly coaching session where they are provided feedback on their technical proficiency and how they can continue to strengthen client contact behaviors.

In the National Cemetery Administration (NCA), the National Training Center trains leaders and technical experts in operational standards and measures to ensure our Nation's veterans and their families are honored with dignity and respect and a final resting place and lasting memorial. Customer service is also an integral part of NCA training programs. NCA incorporates customer service modules into the design for every mission-critical occupation, such as the NCA Caretaker Training, the Foreman Training and the Cemetery Representative Training Programs. These programs focus on assessing employee proficiency in customer service basics, convey the importance of exceeding expectations, and offer practical applications illustrating the role of the NCA employees in providing Veterans and their families with the highest level of customer service.

In VHA, the employee-customer (patient) relationship is at the heart of the Patient Aligned Care Team (PACT) transformational initiative. Four regional PACT teams, comprised of patient-centered care consultants, will facilitate the culture change for patient-centered care at all VA facilities across the country, within their designated region. These teams will not only serve as consultants, but will also conduct training with local staff on the implementation of patient-centered principles.

Finally, the VHA "Treating Veterans with I.C.A.R.E." program is designed to enhance the ability of staff to communicate effectively and compassionately with Veterans in health care settings. Emphasis is placed on how to connect with the Veteran, appreciate their position as a customer, respond appropriately with care and empathy, and empower the patient. This training has standardized materials including facilitator guides and is designed to be delivered at VA facilities.

VA defers to OPM and other Federal Departments to discuss details of executive branch-wide coaching and customer service training.

Question 10. In response to questions about VA's fiscal year 2012 budget request, VA indicated that, "[a]t the end of FY 2010, VA's total outstanding delinquent debt was $1.3 billion" and that, of that amount, "$784 million was attributable to delinquent benefit debts."

a. What was the total amount of outstanding delinquent debt at the end of fiscal year 2011?

Response. Based on the Treasury Report on Receivables (TROR) the total outstanding delinquent debt for FY 2011 was $1.2 billion.

b. What portion of that amount was debt created in connection with VA benefit payments?

Response. Based on the TROR benefit debt at the end of FY 2011 was $732 million.

c. What is the total value of debts for which VA waived recoupment during fiscal year 2011?

Response. In FY 2011 VA wrote off or waived a total of $247 million.

d. What is the total value of debts deemed uncollectible during fiscal year 2011?

Response. The total of all uncollectible debts is $1,198,614,941.11.

e. What is the total amount of delinquent debt projected to be outstanding at the end of fiscal year 2012?

Response. We do not have a way to provide an estimate of the future predicted debt level for delinquent debt. However, we can provide an estimate for new debt established. For FY 2012, we expect to establish $1.46 billion in new debt.

f. What is the total amount of delinquent debt projected to be outstanding at the end of fiscal year 2013?

Response. We do not have a way to provide an estimate of the future predicted debt level for delinquent debt. However, we can provide an estimate for new debt established. In FY 2013 we expect to create $1.48 billion in new debt.

Question 11. For fiscal year 2013, VA projects to spend $76.4 billion in mandatory funding. According to VA's budget request, that funding will, in part, be used to pay for items such as medical examinations, state approving agencies, awards under the Equal Access to Justice Act (EAJA), and reimbursements to the General Operating Expenses account for certain costs of administering VA benefit programs.

a. In total, how much of that mandatory funding will be spent other than in the form of direct benefits paid or provided to veterans, their families, or their survivors?

Response. For FY 2013, approximately $273.1 million, or 0.42 percent, of the $61.7 billion for the compensation and pension mandatory account is for non-direct benefits paid for Veterans and survivors. Over 99 percent of total obligations in compensation and pension mandatory funding is attributed to direct benefit payments.

For FY 2013, $32.3 million, or 0.26 percent, of the $12.6 billion dollar appropriation requested for the readjustment benefits account is expected to be spent on non-direct benefits provided to Veterans, their families, or their survivors. Over 99 percent of readjustment benefits mandatory funding is for direct benefits paid or provided to Veterans and their families, survivors, and institutes of higher learning.

b. Of that total, please identify how much would be spent for each category of non-benefit payments, such as the amounts that would be spent on information technology, on contractor services, or on personnel expenses.

Response. For the compensation and pension account, the $273.1 million in non-direct benefit payments is outlined below.

- *$250.6 million for Medical Exam Pilot Program:* Public Law (P.L.) 104–275 authorizes VA to carry out a pilot program over 10 regional offices for examinations with respect to medical disability of applicants performed by persons other than VA employees.
- *$13.3 million for Equal Access to Justice Act payments:* Public Law 99–80 authorizes the award of attorney fees and other expenses to eligible individuals and small entities that prevail against the government in civil actions for judicial review of agency action.
- *$9.2 million for OBRA:* The OBRA Act of 1990, Pub. L. 101–508 authorizes VA to perform data matches with the Internal Revenue Service and Social Security Administration to ensure proper payments are made to eligible beneficiaries.

For the readjustment benefits account, the $32.3 million in non-direct benefit payments is outlined below.

- *$19.0 million for State Approving Agencies:* Pub. L. 110–252 increased the maximum funding level for State Approving Agencies to $19.0 million. State Approving Agencies assess whether schools and training programs are of appropriate quality for Veterans to receive VA education benefits while attending them.
- *$12.8 million for Reporting Fees:* Reporting fees are paid by VA to educational institutions for each person enrolled who is participating in a VA education program. Pub. L. 111–377 increased the reporting fee rates from $7 to $12 per enrolled veteran or $11 to $15 per enrolled veteran if educational assistance checks are in temporary custody of an institution.
- *$0.5 million for Reimbursement to General Operating Expenses (GOE):* Pub. L. 101–237 and Pub. L. 105–368 authorized reimbursement for GOE expenses related to outreach and distribution of information to Veterans regarding education benefits.

OFFICE OF INFORMATION AND TECHNOLOGY

Question 1. The Office of Information and Technology (OIT) has outlined 16 major transformational initiatives developed to support the Secretary's goal "to transform the Department of Veterans Affairs * * * into a high performing 21st century organization."

a. What is the total amount VA expects to spend on developing these 16 major transformational initiatives? Please breakout the funding by initiative.

Response. The Office of Information and Technology (OIT) provides support to each of the Secretary's 16 Major Initiatives. For FY 2013, VA has requested $376,810,000 for development. The breakdown of the development budget by Major Initiative is reflected in the table below.

FY 2013 Budget Submission

(in thousands of dollars)

Major Initiative	Development	Marginal Sustainment	Major Initiative Total
MI 01—Eliminate Veteran Homelessness	3,075	879	3,954
MI 02—Veterans Benefits Management System (VBMS)	38,525	53,728	92,253
MI 03—Automate GI Bill Benefits			
MI 04—Virtual Lifetime Electronic Record (VLER)	49,939	3,000	52,939
MI 05—Improve Veterans Mental Health	8,818	310	9,128
MI 06—Veterans Relationship Management (VRM)	99,439	11,486	110,925
MI 07—New Models of Health Care (NMHC)	35,724	1,101	36,825
MI 08—Enhance the Veteran Experience and Access to Health care (EVEAH)	67,816	3,934	71,750
MI 09—Ensure preparedness to meet emergent national needs	3,025	11,490	14,515
MI 10—Enabling Systems to Drive Performance and Outcomes (STDP)	4,062	100	4,162
MI 11—Integrated Operating Model (IOM)	20,065	13,625	33,690
MI 12—a Human Capital Investment Plan (HCIP)	14,640	1,000	15,640
MI 13—Research & Development (R&D)	18,521	3,665	22,186
MI 14—Strategic Capital Investment Planning (SCIP)	1,000	3,162	4,162
MI 15—Health care Efficiency	4,659	2,000	6,659
MI 16—Health Informatics	7,500	1,656	9,156
Total	376,808	111,136	487,944

b. When does VA expect to see these projects moved from the development stage to activation?

Response. Each Major Initiative contains a unique set of projects that provide the functionality envisioned by the initiative. Five of the Major Initiatives are scheduled to accomplish their transformational goals in FY 2012 (GI Bill/IVMH/STDP/R&D/SCIP).

For each project supporting an initiative, and based on PMAS principles, customer facing functionality is delivered to the customer in increments on a 6-month or less basis. Complete project transition from a development state is uniquely determined by each project's defined scope of requirements.

c. Once these projects become activated, what will be the costs associated with operating and maintaining these projects?

Response. For FY 2013, Product Development, under the Major initiative construct, has budgeted $111 million for the incremental transition of projects to activation. The marginal sustainment by Major Initiative is reflected in the chart above.

d. For each of the 16 major transformational initiatives, please provide the Committee with a detailed description of each of the information technology (IT) products, software, or other items that would be the end result of each initiative.

Response. The following list of projects and deliverables is not an exclusive list. These are some of the key IT projects managed under the initiatives, although some projects may not be listed. This list of deliverables does not include non-IT projects and deliverables for the initiatives.

1. Eliminate Veteran Homelessness (EVH)

- Handheld device pilot for use by Homeless Program case and outreach workers.
  - This will provide users the ability to track Veterans receiving assistance. Deliverables will include the capability of accessing other VA applications to scheduling, clinical ancillary programs and mental health via the use of the handheld device.
- The Web-management Toolkit for the Department of Housing and Urban Development—VA Supported Housing (HUD-VASH)—completed in FY 2012.
  - Provides case managers and Veterans access to on-line resources that will help attain and maintain permanent Veteran housing, general information, best practices and program specific data to providers and will be expanded to cover other Homeless Programs.
- Homeless Operations and Management Evaluation System (HOMES)—
  - Completed in FY 2012. Performs case management and tracking functions for the Homeless Program
- In FY 2013, the Homeless Repository will also expand its two-way interface to more entities and provide those entities with up-to-date Veteran information. The information shared by VA then will be used by those entities to address homeless Veteran benefit gaps.

- Veteran Re-Entry Matching Service project—collecting and processing information about incarcerated Veterans designed to address community reentry needs of incarcerated Veterans by preventing homelessness.
  - Reduces the impact of medical, psychiatric and substance abuse problems upon community readjustment to decrease the likelihood of re-incarceration.

2. Veterans Benefits Management System (VBMS)

VBMS deployment is occurring in phases.

- Phase 1 was deployed in November 2010 and completed in May 2011.
  - Phase 1 utilized a new electronic claims repository and scanning solution, as well as new claims processing software integrating with elements of the current legacy platform.
- Phase 2 was deployed in May 2011 and completed in November 2011.
  - Phase 2 validated and refined the VBMS technology solution, as well as provided additional business requirements for future technology releases.
  - In addition, Phase 2 increased system capacity by adding more users, stations, claims, and claim types.
- In August 2011, VBA began implementing transformation initiatives to drive consistency, standardization, and improvement in delivery of benefits.
  - VBMS is one of the technology solution components enabling all claims to be completed within 125 days at 98 percent accuracy by 2015.
- VBMS Major Release 2 was deployed in November 2011.
  - Major Release 2 enhanced user interface, claims' establishment, and rating capability.
- VBMS Major Release 3 is scheduled to deploy in July 2012 in support of national deployment.
- Subsequent major and minor software releases are scheduled through FY 2014.

3. Automate GI Bill Benefits

Since March 2010, Long Term Solution (LTS) has been incrementally developed to provide Post-9/11 GI Bill benefits in a timely and effective manner.

- Release 1.0 of the LTS, deployed on March 31, 2010, provided calculations for chapter 33 eligibility, entitlement, and delimiting date as well as calculations for chapter 33 awards (with no amendments) including calculation of tuition and fees, Yellow Ribbon, housing, books and supply, chapter 30 kicker, chapter 1606 kicker, and calculations for intervals between terms. Interface with VADIR system (VA's internal database of military data) included.
- Release 2.0, deployed June 30, 2010, added capability to process amended awards to comply with existing requirements in title 38, chapter 36. Interface with WEAMS (system that records school approval data) included.
- Release 2.1, deployed August 23, 2010, provided for a data conversion from the FET (Front-End Tool) system, initially used to calculate chapter 33 benefits. All chapter 33 claims processed in LTS effective R2.1.
- Release 3.0, deployed October 30, 2010, added interface with VAONCE (the system schools use to report enrollment and changes of enrollment).
- Release 4.0, deployed December 20, 2010, provided interface with the chapter 33 BDN system (the payment system for chapter 33). Included initial claimant self-service (via eBenefits).
- Release 4.2, deployed on March 5, 2011, provided functionality to implement 60-day requirement deadlines contained within Pub. L. 111–377.
- Release 5.0, deployed June 4, 2011, implemented numerous additional provisions of Pub. L. 111–377 and also provided a scheduling feature for housing payments.
- Release 5.1, deployed October 17, 2011, completed the functionality required to address Pub. L. 111–377 including calculation of benefits for training at non-degree schools, correspondence schools, flight schools, and for apprenticeship and on-the-job training.
- Release 5.11, deployed on December 19, 2011, enhanced the processing of student debt management issues caused by the implementation of the tuition and fee payment cap required by Pub. L. 111–377.
- Release 5.2, deployed on February 21, 2012, was a technical release to prepare for automation in Release 6 and to address system and security requirements that were previously deferred.
- Release 6.0, scheduled for July 30, 2012, will provide end-to-end automation of selected supplemental claims without human intervention.
- FY 2013 activities will include knowledge transfer and continuation of activities for full sustainment, as well as, subject to additional funding, development of user functionality for continued enhancements to the LTS system.

4. Virtual Lifetime Electronic Record (VLER)

Deliverables for VLER are explained in the context of the following four focus areas:

- Nationwide Health Information Network (NwHIN)

a. The key to sharing critical health information is pushing for interoperability and utilizing the NwHIN standards, allowing agencies like VA and DOD to partner with private sector health care providers to promote better, faster and safer care for Veterans.

- Warrior Support

b. The VLER Warrior Support Projects ensure that information is available to end users in a timely fashion to support Integrated Care for Servicemembers and Veterans of Operation Enduring Freedom, Operation Iraqi Freed and Operation New Dawn and severely ill and injured Servicemembers and Veterans

- Memorial Affairs Modernization

c. Designed in the 1990s, modernizing and redesigning the Memorial Affairs Burial Operations Support System (BOSS) will allow VA the flexibility to adapt to current needs and improve overall stability of the platform and consistency of services it provides to Veterans and their families at over 180 locations including 131 VA National Cemeteries.

- Health Information Technology Sharing

d. In 2011, the Bidirectional Health Exchange (BHIE) interface implemented an application that enables VA providers to select for viewing DOD neuropsychological assessments and imagery from the DOD Healthcare Artifact Information Management System. BHIE also implemented updates to an existing application to enable VA clinicians to view DOD inpatient notes. BHIE currently is supporting approximately 450,000 monthly health information exchange queries from VA to DOD, at a rate of over five million per year.

5. Improve Veterans Mental Health

In FY 2012, deliverables include:

- Deployment of software to track patients at high risk of suicide;
- Software to identify a patient's principal mental health provider to all medical staff treating the Veteran;
- Deployment of a number of mental health assessment tools to ensure sufficient information is collected during patient assessments to make good clinical decisions; and
- Deployment of goal setting module in My Health*e*Vet.

In FY 2013, deliverables include:

- Provide a tool for clinicians to assign and distribute assessment instruments for evaluating the mental health condition of a Veteran based upon that Veteran's unique treatment and service needs;
- Adopt a tool to conduct structured assessments that is used to manage and evaluate mental health care within primary care settings; and
- Implement a tool to allow the identification of at-risk Veterans so that proper care may be given at VA health care facilities.

6. Veterans Relationship Management (VRM)

In FY 2012, the VRM initiative made a number of important achievements that will be leveraged into the next fiscal year.

- VONAPP Direct Connect (VDC) 1.0 provides Veterans the ability to apply for VBA benefits by answering guided interview questions through the security of the eBenefits portal. Introduced in VDC release 1.0 were guided interviews for the Declaration of Status of Dependents and Request for Approval of School Attendance.
- Virtual Hold and Scheduled Call Back technology was successfully deployed for all VBA National, Pension, and Education call centers. Virtual Hold allows callers to hang up rather than wait on hold and be automatically called back without losing their position on the call queue. Scheduled Call Back enables callers to schedule a returned call up to 7 days in advance.
- The VRM Customer Relationship Management/Unified Desktop (CRM/UD) was deployed at the VBA National Call Center (NCC) in St. Louis. CRM/UD improves the VBA NCC business processes by capturing caller history, which facilitates first contact resolution, and aids in personalizing service to Veterans. CRM/UD streamlines data access by providing a single, unified view of VA clients through one integrated application versus the current process that requires Public Contact Agents to access up to 13 applications.

- Interactive Voice Response (IVR) enhancements were introduced allowing VBA to re-record IVR information as needed, eliminating the need to place change orders with the vendor. Recent changes to the recordings provided a simplified IVR for callers seeking agent assistance and enhanced the self-service function to include providing payment information for Education Chapter 33 participants.
- Multiple releases expanded the existing self-service features available via the eBenefits portal. New functionality includes the ability to login with a DS Logon using a smart phone, status of an appeal at the Board of Veterans' Appeals (BVA); access to Post-9/11 GI Bill enrollment status and enhanced claims status features, and VA payment history.
- The framework for the Stakeholder Enterprise Portal (SEP) was delivered and will provide a secure, consistent, and seamless entry point to VA web-based systems and self-service functions for VA's stakeholders and business partners providing services on behalf of Veterans.
- In addition, VRM has implemented the ability to assign a VA identifier to active duty military personnel at VA facilities. This minimizes inaccuracies in identifying a Veteran and decreases the number of duplicate records.
- Critical components of VRM are directed at improving telephone services through integration of new telephony technologies.

7. New Models of Health Care (NMHC)

- This portfolio of multi-year programs is designed to transform the delivery of healthcare within VA and to position VA as a leader in the healthcare industry through innovations for both Veterans and providers.
- To help facilitate the redesign of primary care, the Primary Care Management Module will be reengineered to create a national database identifying all members of the PACT and tracking of all patient care providers, both VA and non-VA.
- Specialty Care has completed a Multiple Sclerosis Home Automated Telemanagement (MS Hat) pilot project providing MS patients a way of monitoring their rehabilitation, providing patients with tele-rehabilitation, and tracking patient progress in real time.
- VA is developing software to track and report abnormal test results and is also developing a Breast Cancer Clinical Case Registry to provide immediate access to breast cancer screening results.
- To alert providers of pregnancy and lactation status when prescribing potentially unsafe medication drugs, VA is developing a notification tool of teratogenic medications within the Computerized Patient Record System (CPRS).
- My Health*e*Vet (MHV) is a forward-facing web portal that helps replace a visit-based, hospital-centric model with a Veteran-centric health care model. Capabilities enhancements have been developed to support web-based tools to help Veterans, their families, and care providers increase their knowledge of health conditions, better manage their personal health records, and communicate with health care providers in a secure online environment.
- The MHV Secure Messaging project improves the clinician-patient relationship by providing patients and clinicians with the ability to send non-urgent, secure messages without using email and risking the exposing confidential information.
- The MHV Online Viewing Personal Health Record (PHR) project will allow Veterans to view and manipulate portions of their PHRs downloaded from VistA or self-entered. As a result, Veterans' ability to manage their care will be improved and their PHRs will contain information from a broader range of VA services delivered. Providers are more likely to engage and adopt tools containing comprehensive health information which can be integrated into CPRS.
- The MHV and eBenefits Portal Integration (MHVEB) project will provide VA a Single Sign-On (SSO) capability for MHV. The SSO functionality will allow users to sign on to the MHV portal from another eAuthentication-enabled portal, as well as to sign on to another eAuthentication-enabled portal from the MHV portal.
- The MHVEB project will leverage DOD DS Logon Level 2 credentials to provide an SSO capability from eBenefits. Users can map their eBenefits account to their VA Patient MHV account to seamlessly navigate to and from their MHV account
- The VistA Imaging Enhancements project is part of the VA System of Records for maintaining electronic medical images and scanned documents. Work includes providing functionality for capturing, storing, and retrieving images for clinical use; and promoting VistA interoperability with commercial medical devices and the delivery of all patient images to clinicians in any facility.
- Various mobile applications are in development, including the pilot testing for the Clinic-in-Hand project which allows VA the ability to exchange health-related data with Veterans and their family caregivers using mobile healthcare applications designed to provide support and improve Veteran health though interven-

tions targeted at disease management and prevention. Other mobile applications in development include Mobile Blue Button, Provider Mobile Apps, hi2 Patient Medication Reconciliation, and a VA Information Application.

- The Enterprise Mobile Applications project will develop a distributed mobile applications development and production environment to reduce development time, improve code quality, reduce risk to source systems, reduce application cost, and provide objective metrics.
- The Clinical Video Teleconferencing (CVT) project will develop a national CVT scheduling system to ensure resources at both ends of a telehealth visit for Veterans and healthcare providers are coordinated with patients across different VistA scheduling systems and to provide for workload capture.
- The Home Telehealth Capability Enhancements project will use home telehealth technologies to support Veterans in non-institutional care settings, thereby reducing hospital admissions, clinic visits, and emergency room attendances, and improving the quality of care and standard of living for Veterans.
- The Document and Ancillary Imaging application involves imaging functionality for document imaging, management, and integration to the medical record, in order to allow clinicians to view high-quality images and documents.
- The Health Risk Assessment project will deliver the Veteran a systematic approach to collecting information that identifies risk factors, provides individualized feedback and links the Veteran with at least one intervention to promote health, sustain function, and prevent disease.
- The National Teleradiology Program (NTP) Enterprise Infrastructure Engineering project will add fault tolerance to existing network infrastructure to improve network uptime and minimize interruption of service in the operation of NTP's mission to provide convenient and cost-effective radiologic image interpretation service for VA facilities.
- The Patient Advocacy Database will help patient advocates by feeding information into their tracking database from the VA Inquiry Routing and Information System.
- The Resident Assessment Instrument/Minimum Data Set is used to assess residents of long-term care facilities, guide the development of individualized care plans, evaluate the quality of care provided, and determine workload and Veterans Equitable Resource Allocation reimbursements. This project will develop software to improve clinical relevance of assessment items, and improve reporting and quality measures.
- The VA/DOD Image and Scanned Document Sharing Phase 1 project will provide the capability to scan, store, and display DOD records that are not electronic so they can be viewed by VA practitioners in CPRS and will enhance VistA Imaging to allow viewing of DOD radiology images and scanned document files.

8. Access to Healthcare

Deliverables will focus on the following areas of Healthcare Access:

- In FY 2011, Rural Health created an automated eligibility determination for program-eligible Veterans within the Electronic Medical Record via a clinical reminder, which notifies staff when an eligible Veteran presents for VA services.
  - In FY 2012, Rural Health staff will be provided the ability to manually establish eligibility within the Electronic Health Record and the ability to generate reports from the electronic health record for internal and mandated Congressional reports.
- During FY 2011, Veteran Point of Service Kiosks were activated at four pilot sites. Since pilot site activation, kiosks have successfully checked-in over 90,000 patients.
  - During FY 2012, kiosk devices will be deployed to remaining VISN medical centers and designated Community Based Outpatient Clinics.
  - During FY 2013, enhanced interfaces with authoritative information systems will be released to improve read/write data capabilities and streamline facility staff management of kiosk processes and Veteran responses submitted through the kiosks.
- In FY 2011, the Emergency Department Integration System (EDIS) v1 and Bed Management Solution (BMS), Class III, were deployed VA-wide. In FY 2012 and FY 2013, both EDIS v2 and BMS v1 will provide enhanced system capabilities reducing bed wait times, increasing patient information available to the health care providers, and integrating a full inpatient flow system.
  - In FY 2012, initial deployment of an enhanced and fully integrated Surgical Quality Workflow Management system will begin, continuing through FY 2014.

9. Preparedness

- In accordance with Office of Management and Budget (OMB) Memorandum 11–11, VA will continue to implement Homeland Security Presidential Directive 12 (HSPD–12) during FY 2012 and FY 2013. VA will complete nearly 100% Personal Identity Verification (PIV) credential issuance in FY 2012 and begin requiring the use of the PIV credentials for Logical Access Control System (LACS) interface in FY 2012. The HSPD–12 compliance program will have two primary efforts that will continue development into FY 2013.
  - VA will complete improvements to the Personal Identity Verification (PIV) card management system in FY 2012 with two interfaces to automate Employee Sponsorship and the Background Investigation portion of the PIV registration process. Completion of the full development and implementation of both of those interfaces will run into FY 2013.
  - Additionally, in FY 2012, VA will initiate design of the Physical Access Control Systems (PACS) HSPD–12 Compliant Enterprise Wide Architecture. The enterprise PACS Architecture full development and implementation will continue into FY 2013.
- The Integrated Operations Center (IOC) and corresponding continuity of operations (COOP) sites will achieve initial operations capability at two sites (Sites A and C) during FY 2012 with full operational capability not realized until FY 2013.

10. Systems to Drive Performance and Outcomes (STDP)

- In FY 2012, the STDP initiative will continue to provide VA leadership with effective and flexible tools to review, analyze, and project, on an ongoing basis, cost and performance trends that impact/reflect changes in the budgetary environment, program efficiency and management priorities. These tools will be expanded in FY 2012 to address emerging VA Dashboard requirements and increase utilization of available tools.

11. Integrated Operating Model (IOM)

- IOM supports the VA Facilities Management Transformation Initiative, which will result in increased enterprise performance through the acquisition, development, and fielding of an enterprise construction project management system. When completed, the new web-based software will be capable of document control; collaboration between designers, managers, construction contractors, developers, owners, and program officials; and include the ability to run reports at the project and program level as well as link submittals to possible future actions such as RFP's and contract modifications.
- IOM supports the effort to implement a new VA Time and Attendance System (VATAS), which will improve efficiencies in workforce management workflows and personal productivity, and enhance transparency in the collection, delivery and use of VA workforce information. When completed, VATAS will make timekeeping more efficient and will eliminate the over 170 disparate VistA time and attendance systems currently used in the field. The new system will be centrally managed and hosted, and will also support cost accounting needs to better access and track labor costs related to VA employees.
- IOM supports VA's effort to migrate VA to a new Human Resource Information System (HRIS) Shared Service Center (SSC) in accordance with federally mandated Human Resource Line of Business Initiative to reduce stove pipe H.R. IT systems. When completed, the migration will streamline core H.R. requirements for personnel actions processing, employee benefits administration, and compensation management in the form of an interface with DFAS for payroll processing support. This system will replace VA's legacy HR/Payroll (PAID) system and will improve the management of human capital throughout VA.
- IOM supports VA's effort to develop and implement the IT Project Management Accountability System (PMAS) Dashboard in order to support VA's goal of proactively managing VA's IT projects and ensuring that the OIT program and project managers have access to the resources and tools they need. When completed, this dashboard tool will support VA's PMAS which is a metric-based, standardized system to effectively manage VA's IT systems and increase accountability across the enterprise in order to effectively deliver functionality to meet IT business needs. PMAS provides near-term visibility into troubled programs, better insight into scarce resources, and frequent deliveries to customers ensuring that project functionality is on track while increasing the probability of successful programs.

12. Human Capital Investment Plan (HCIP)

- In FY 2012, the Performance and Talent Management System (PTMS) will automate a paper based process and enable a modernized SES performance and talent management system that will be integrated with the VA's Talent Management System (TMS).
- VA will continue to develop the Equal Employment Opportunity/Alternative Dispute Resolution Electronic (EEO/ADR) Dashboard, which leverages technology and pulls information from various data systems to display a variety of indicators that provide valuable, real-time information for managers and possibly trigger management to determine if there are opportunities for intervention.
- Child Care Records Management System (CCRMS) application (initial release in FY 2012), is a custom online system/application which encompasses an intranet web site for dynamically displaying information about VA facilities and key staff nationwide, along with administrative application for maintaining the data via internet.
- The Central Office Human Resource Services (COHRS) Workload Tracking system (initial release in FY 2012), will be used to map, assess and improve the current business processes for attracting, recruiting, and hiring VA H.R. staff; assessing competency levels of H.R. staff and assisting in developing individual development plans; and designing and developing a software application capable of capturing the division's workload as well as performance metrics (such as time-to-fill or classify a position).
- The "VA for Vets" hiring initiative support system went live in FY 2012 and provides an integrated tool suite with a military-civilian skills assessment translator, a robust case management tool for deployed employees, a seamless Federal employment application process with integration to USAJobs 2.0 and 3.0 and a virtual collaboration center to allow deployed Veterans access to co-workers and home office information while activated on military duty.
- In FY 2013, HCIP will develop new interfaces and begin the integration to VA Enterprise Architecture to eliminate duplication, incompatibility and redundancy.

13. Research and Development (R&D)

- GenISIS provides the required environment for launching VA as a world leader in personalized medicine that improves Veterans' healthcare and potentially opens the door to ground breaking research. GenISIS also establishes a secure computing environment for large-scale computation necessary for genomic studies and a trackable, centralized recruitment tool to manage enrollment of as many as one million Veterans in the Million Veteran Program (MVP).
  - In FY 2013, the GenISIS Computing Infrastructure Module will be completed and GenISIS will continue to develop the ability to enroll Veterans through multiple mechanisms (including web, phone, and kiosks).
- For Point of Care Research (POC-R), Veterans are enrolled in comparative research projects at the time they are receiving usual clinical care. They are randomized at a decision point in clinical care where two or more alternative treatments or strategies are considered equivalent. Data are analyzed to determine which treatment is more effective. VHA can then use the results from POC-R to determine best practices for Veterans' health conditions.
  - In FY 2013, validation of the electronic clinical trial systems that are extracting data for POC-R pilot studies will be validated.
- VA Informatics and Computing Infrastructure (VINCI) and Consortium for Healthcare Informatics Research (CHIR) improves the quality of care and treatment for Veterans by allowing VA researchers the ability to accelerate findings and identify emerging trends. This is made possible by advanced data mining in a high performance, secure, and virtualized computing environment that provides large-scale analysis of data from many sources without the threat of compromising Veterans' personal or sensitive data and subjecting VA to high risk of data loss. VINCI currently supports more than 100 users.
  - In FY 2013, VINCI will upgrade to a 10 gigabytes-per-second interconnecting network speed on servers at Austin Information Technology Center. Additionally, VINCI will deploy grid architecture with support for file systems that lend themselves to processing terabytes of data.
- Research Administrative Management System (RAMS) will improve Veteran healthcare by enabling VHA to recruit and retain world-class physician researchers and administrators. This will be accomplished by implementing an enterprise-wide system accessible by active field research offices and Office of Research and Development (ORD) Central Office that will reduce regulatory and administrative burdens. These burdens were identified in a recent Office of Policy and Planning review as the single largest impediment to the conduct of research for Veterans.

The implemented tool will support the major business functions of the local research office; management of the Research and Development Committee, its subcommittees, and local research offices reporting to ORD; and provide a common database for tracking and reporting of administrative research program data. Without RAMS, VA cannot comply with the Presidential directive mandating regulatory simplification.

- In FY 2013, RAMS framework will be implemented, including framework test plan and results report, schema, data model, data dictionary, and entity relationship diagram. Additionally, the RAMS Research Project Management module will be deployed to end users in a pre-production environment.

14. Strategic Capital Investment Plan (SCIP)

- VA will implement a SCIP Automation tool which will assist in the collection of the various capital investment planning needs for major construction, minor construction, non-recurring maintenance and leasing.
  - Two phases of the tool will be designed for delivery, the Short Term Solution (STS) and the Long Term Solution (LTS). The STS was released in February 2011. The LTS involved the acquisition of a solution which is scheduled to be fully implemented in FY 2012. In FY 2013 VA will be completing enhancements to the SCIP Automation tool.

15. Health Care Efficiency (HCE)

- In FY 2011 and FY 2012, HCE enhanced the existing Fee Basis Claims System and program integrity tools. HCE enhanced the existing VistA software for Beneficiary Travel; and for Facilities automation, HCE developed requirements and acquisition documents for an Application Package to integrate multiple Real Time Location System (RTLS) applications and for a repository to pull and analyze data.
- FY 2013 deliverables include:
  - A National Data Repository for RTLS that will aggregate data from multiple VistA databases and provide tracking and reporting capabilities up to the national level. This data repository will enable the VA to achieve significant enhancements in asset tracking efficiency, as well as achieve significant workflow process enhancements and efficiencies through real time and near real time tracking of assets and processes.
  - Additional enhancements to the Fee Basis Claims System will take place to include bi-directional interfaces with VistA software.
  - Award of a contract to develop a Vet Traveler solution to further automate processing of BT claims

16. Health Informatics (hi2)

- FY 2011 deliverables:
  - Developed two Team-facing Health Management Platform (HMP) software modules;
  - Selected and launched the first HMP Pilot Site (San Diego);
  - Completed an Initiative level Governance Plan;
  - Created a national Informatics and Analytics Training Plan;
  - Developed online graduate-level Informatics lectures and coursework; and
  - Delivered two Nursing Informatics workshops
- FY 2012 deliverables:
  - Develop the third and fourth Team-facing HMP software modules;
  - Create the HMP Collaboration Development Environment (CDE) for use with other development efforts, including research and local development;
  - Develop the first Patient-facing and System-facing HMP software modules;
  - Launch the first VA 10 x 10 Health Informatics Course (American Medical Informatics Association (AMIA) endorsed)Deliver two Nursing Informatics workshops;
  - Deliver standardized position descriptions for Health Informatics job series; and
  - Distribute and configure HMP servers in the Region 1 Data Processing Centers (Denver and Sacramento) to support HMP software testing by HMP pilot sites: San Diego, Loma Linda, Portland and Indianapolis.
- FY 2013 deliverables:
  - Develop the fifth and sixth Team-facing HMP software modules;
  - Develop the 2nd and 3rd Patient-facing and System-facing HMP software modules;

– Deploy HMP software modules to VA medical centers to assist with health care delivery for Veterans;
– Share VA Health Informatics educational content with Federal partners; and
– Conduct a follow-up Health Informatics Workforce Survey to evaluate workforce development efforts launched in FY 2010, 2011, and 2012.

Question 2. In January 2012, OIT released a Request for Information for a new patient scheduling system which VA will rely on private industry to develop for VA. In a recent briefing with Committee staff outlining the plan, it was indicated that an off-the-shelf program could meet 80 percent of VA's requirements. Yet, VA believes it needs something "more robust" than an off-the-shelf program.

a. Please describe, in detail, the business case analysis for moving forward with a custom built software system versus enhancing an off-the-shelf program to meet VA's needs.

Response. VA has completed review of the request for information (RFI) packages. There were 35 submissions with varying technical solutions. VA is entering into an assessment and review of current VA scheduling processes to determine whether these technical solutions will be of value. VA is also formally developing the VA scheduling process and the Statement of Work for a scheduling system. VA has yet to decide on what type of technical solution will be applied.

b. How much does VA expect to spend in total on the new patient scheduling software system?

Response. VA has not started a Life Cycle Cost Estimate, but plans to complete this analysis by January 2013.

c. How much does VA expect to spend in fiscal year 2013 on a new patient software system?

Response. VA will only be able to determine this figure after the completion of our Concept Exploration and our Life Cycle Cost Estimate, which are planned for January 2013.

d. Please provide the Committee with a timeline of deliverables for this project.

Response. VA will only be able to determine a timeline of deliverables for this project after the completion of our Concept Exploration and our Life Cycle Cost Estimate, which are planned for January 2013.

Question 3. Because of a history of poor performing IT development projects, VA initiated the Program Management Accountability System (PMAS) to provide better oversight of development projects within OIT. PMAS is a performance-based measurement discipline that is designed to reduce risk by instituting management, controlling, and reporting mechanisms. According to the budget justification, using "PMAS, VA has identified a cost avoidance of nearly $200 million by eliminating poorly performing projects."

a. How much funding was spent on these projects prior to OIT eliminating the projects? Please display the information by amount and project.

Response. In 2009, as a result of significant difficulties in delivering IT development, the Department reviewed all 280 ongoing IT development projects. The review resulted in the cancellation of some projects, leading to a cost avoidance of nearly $200 million. The canceled projects and associated cost savings are listed below. Due to historical record keeping techniques, most of the dollar amounts are estimates rather than actual accountings.

Project	Description	Estimated Cost Avoidance	Prior Spend on Project
1. Scheduling Replacement	To create an Enterprise-level outpatient scheduling application that supports re-engineered appointment processes and patient-centric view of appointments regardless of location of care.	$37 million	$127.0 million
2. Pharmacy Re-Engineering Pre 1.0	Replaces existing national and local drug files and serves as the basis for the Pharmacy Re-engineering; will help control inventory nationwide.	$7 million	$8.5 million
3. Enrollment System Redesign (ESR) v4	Rehosting of the Income Verification Matching application from a .Net standalone database to the ESR application.	$6.3 million	$1.5 million

Project	Description	Estimated Cost Avoidance	Prior Spend on Project
4. CHDR—Chemistry & Hematology: ADC Automation	Supports interoperability between Veteran Affairs and the Department of Defense for ordering drugs and drug allergy.	$0	$1.1 million
5. Barcode Expansion	Extends use of Bar Code technology via wireless handheld devices to positively identify patients during lab specimen collection, blood administration, medication administration, vitals sign collection, and to provide for wireless read only access to the patient's chart.	$0	$1.2 million
6. Delivery Service	Delivery Service enables the loosely-coupled applications/services in the HealtheVet service oriented architecture (SOA) to function properly.Delivery Service provides the mechanism for allowing one application/service to communicate with another.	$1.4 million	$0
7. Organization Service	Organization Service is a foundational component of the HealtheVet service oriented architecture and establishes a centralized and standardized set of business logic for the management of organizations, locations, and medical devices.	$1.4 million	$0
8. ASISTS Modification—Case Management	Request to modify the Automated Safety Incident Surveillance and Tracking System (ASISTS) to include a Workers' Compensation case management module that will allow Workers Compensation Specialist to manage the employee case after the Department of Labor has approved their request for compensation claim.	$0	$1.8 million
9. National Tele-radiology Program—Radiology	Provides workflow / messaging enhancements for tele-radiology in support of pilot project. Enables tele-radiology system to pull reports from prior comparison studies and send them to tele-radiologist.	$0	$0.88 million
10. RMS—Rights Management Server	Provides security for e-mail messages and attachments by controlling what recipients can do with messages.	$0.1 million	$0
11. Radiology Standardization	Create and deploy standard Radiology terminology files.	$1 million	$2.7 million
12. Lab Data Sharing and Interoperability (LDSI) Terminology Support	Provide Systematized Nomenclature of Medicine—Clinical Terms mappings and maintenance to LDSI files	$0	$0.45 million
13. Financial and Logistics Integrated Technology Enterprise (Integrated Financial Accounting System)	Provide standardized business processes in a COTS-based FSIO-compliant integrated financial management system with accurate and auditable financial data	$85 million	$117.7 million, Total for FLITE
14. Financial and Logistics Integrated Technology Enterprise (Strategic Asset Management)	Provide consolidation and integration of critical asset management systems into an enterprise-wide, standardized centralized COTS solutions	$13 million	See 13 above

Project	Description	Estimated Cost Avoidance	Prior Spend on Project
15. Financial and Logistics Integrated Technology Enterprise (Corporate Data warehouse)	Provide integrated data repository to facilitate query and reporting of data from multiple interfacing financial and logistical systems	$48 million	See 13 above

b. Are the projects within the 16 major transformational initiatives subject to review under PMAS? If so, how have they performed?

Response. The Major Initiatives comprise projects that are both IT- and non-IT in nature. Projects within the 16 major transformational initiatives that have IT portions are subject to review under PMAS. In FY 2011, Major Initiative IT projects met nearly 90 percent of their deliverables—far above the industry standard of around 35 percent. VA continues to deliver in FY 2012 at the same level of execution.

c. Once a project is "paused" under PMAS, what metrics does VA use to determine if a project will be re-planned and restarted or closed?

Response. Projects are paused if directed by the Assistant Secretary for Information and Technology or his designee; if the project is unfunded but has a business need, or if the project is issued three consecutive failures ("3 strikes") to meet a product delivery within the established schedule. "Paused" projects under PMAS are required to have a review by IT senior leadership every 60 calendar days. When a project is Paused, no further development activity will occur until it is reviewed by senior IT leadership and a course of action is approved. Once IT leadership determines a course of action for a Paused project, the project can be re-planned, re-started or closed. The decision on whether to continue with a project is based on whether the project has an approved Business Requirements Document (BRD), an Integrated Project Team (IPT) Charter, and a Project Charter approved and signed in accordance with ProPath. A Paused project will be closed if the project objectives have been met, business priorities have changed, or the project has suffered poor performance. Project performance is measured in the PMAS dashboard, which tracks each project increment for schedule adherence, cost adherence, scope drift, spend plan execution, product quality, and number of red flags.

Question 4. In June 2011, VA created a Reduction Task Force tasked with identifying efficiencies across OIT and repurposing available funding into other projects. The focus of the task force is to identify and eliminate duplication, find hardware efficiencies and savings through the use of cloud computing, and identify savings through policy and architecture changes.

a. What efficiencies has the Task Force identified and how much savings has been identified?

Response. As of May 1, 2012 the Ruthless Reduction Task Force (RRTF) has identified 50 efficiencies, including the following proposed policy or process changes:

- One CPU Device Per End User Policy;
- Eliminate Desktop Printers;
- Mobile Device Management Policy;
- Renegotiate Enterprise License Agreements (Microsoft);
- Move all Multi-Function devices to business lines/Managed Print Services;
- Server Virtualization to reduce total number of physical servers;
- Beneficiary Identification and Records Locator Subsystem (BIRLS) and Veterans Assistance Discharge System (VADS) review;
- VISN Data Warehouse Elimination;
- Corporate Data Warehouse Health Data Repository (CDW HDR); consolidation with the National Data Warehouse Service; and
- Eliminate Dedicated Fax Lines.

Each of these initiatives is being analyzed to determine if it is appropriate for implementation, at what scale and timeline, and potential cost avoidance.

b. What projects benefited with funding increases as a result of the task force? For each project, please identify the amount of funding increases received.

Response. VA is now collecting data and information to quantify cost efficiencies in the VA IT program that have been realized as a result of the RRTF initiatives. Upon realization of savings through RRTF, these funds will be redirected to other critical prioritized unfunded IT requirements.

Question 5. Over the last several years, VA and DOD have been working toward creating an integrated electronic health record (iEHR). Both the Secretaries of VA and DOD have agreed to initial next steps and to establish an Open Source Custodial Agent.

a. How much will VA spend in total for the development portion of iEHR?

Response. A program-level cost estimate is in development. The program level requirements document, acquisition strategy, and systems engineering plan, all in development, will provide the basis for the cost estimate.

b. Please provide the Committee with a detailed description of the deliverables for fiscal year 2013.

Response. The FY 2013 Execution Plan is in development. It will address ongoing risk reduction efforts as well as enduring iEHR infrastructure and prioritized clinical capability.

c. Please provide the Committee with a detailed description of the anticipated deliverables for fiscal year 2014.

Response. Planning for FY 2014 will be part of the overall program planning, which is still in development, as noted in part a.

Question 6. On February 28, 2012, VA notified Congress that the contract associated with the Enterprise Service Bus procurement for iEHR was terminated. The Enterprise Service Bus would create the central hub and would allow private sector products to be incorporated into the system.

a. How much funding has been obligated, to date, on this contract?

Response. This information cannot be released due to potential legal issues related to the termination of the contract.

b. Please describe the metrics behind the decision to terminate this contract.

Response. After the award was made, a VA contracting officer discovered indications of impropriety. Subsequently, VA moved quickly to terminate the contract. This is being investigated so the details cannot be discussed publicly at this time. To date, VA's review has found no wrongdoing by government employees.

c. How will this cancellation affect the overall mission to create an integrated electronic health record?

Response. The DOD/VA IPO has assessed the impact of the contract stop on the development of iEHR Enterprise Service Bus and determined that impact will be minimal. With that said, the contract has now been re-awarded.

d. Please provide a timeline of deliverables for this project.

Response. The work on iEHR continues and the timeline to complete program deliverables remains on schedule. VA and DOD have agreed to create a single common, joint electronic health record. The iEHR platform will be an open architecture, non-proprietary design. VA and DOD are targeting delivery of iEHR baseline capability to two sites (consisting of multiple VA and DOD facilities) no later than 2014, with primary effort on providing a Service Oriented Architecture-based supporting infrastructure. Full rollout of the iEHR is expected in 4–6 years.

The IT budget request for FY 2013 remains critical to working on this initiative. This project enables medical providers at the first fully integrated VA and DOD North Chicago medical facility to have a more efficient way to examine and review health records from both DOD and VA systems and provide better care to Veterans and Servicemembers.

VETERANS HEALTH ADMINISTRATION

Question 1. According to a survey VA conducted in December 2011, VA had 1,500 open positions for mental health providers. In fiscal year 2011, VA mental health providers saw 1.4 million unique patients. As more veterans return home from war, VA may see an increase of patients coming to VA to seek treatment for mental health conditions.

a. What steps has VA taken to fill the 1,500 open positions in mental health? How many are still open today? When will any remaining positions be filled? Please display the 1,500 open positions by VISN and clinical type (i.e., MD, Nurse, Social worker, etc.).

Response. VA's 2013 budget provides $6.2B for mental health care, an increase of $665 million, or 12 percent, over the FY 2011 actual. VA is expanding mental health programs and is integrating mental health services with primary and specialty care thus providing better coordinated care for our Veteran patients. With a workforce of over 20,000 mental health professionals, and an estimated average vacancy rate of seven to eight percent due to normal staff turnovers, the Veterans Health Administration (VHA) is likely to have 1,400–1,600 vacancies in mental health at any point in time. VHA has begun monitoring vacancies to identify variation in the rates across sites and disciplines. The purpose of monitoring is to en-

sure that active recruitment efforts are in place and that vacancies are filled in a timely fashion.

VHA established the National Recruitment Program (NRP) in December 2010 that provides the agency with an in-house team of professional recruiters that utilize best practice, private sector recruitment methods to target historically hard-to-fill Title 38 and Hybrid 38 vacancies, particularly Physicians. The Office of Workforce Management & Consulting assigned a professional recruiter to each Veteran Integrated Service Network (except VISN 12) to aggressively source and identify candidates to fill mission-critical healthcare needs. In FY 2011, the National Recruitment Program directly supported 369 requisitions, referred over 1,800 candidates to clinical hiring managers, and secured 159 selections. Of the referred candidates, 91.8 percent were health care professionals, 73.5 percent were physicians. Finally, 16 percent of FY 2011 selections were for rural/highly-rural vacancies.

Fully staffed in December 2011, agency-wide implementation of the NRP is complete. VISNs have a dedicated National Healthcare Recruitment Consultant actively and successfully impacting mission critical shortages, utilizing private sector recruitment practices. As of March 8, 2012, the team is actively recruiting 584 requisitions, has referred 1,521 candidates, and secured 202 selections. Of the selections, 97.2 percent are health care professionals, 67.3 percent physicians, 22.11 percent are Veterans, and approximately 13 percent are to fill rural/highly-rural vacancies.

As of January 2012, the methodology for collecting data on the mental health vacancy rate was changed to reflect all vacancies associated with mental health whether or not the positions were listed on a formal mental health organization chart. Vacancies were self-reported by the facilities. To make data comparable across sites, facilities were given explicit instructions in how to identify a "mental health" vacancy as the formal organization of mental health is different across facilities. Because of this, the data is not directly comparable to the December 2011 data. The data from May 2012 is attached below.

TABLE 3. VACANCY RATE, SELECTED PROFESSIONS, BY VISN

VISN	VACANCIES: PSYCHIATRISTS	VACANCY RATE: PSYCHIATRISTS	VACANCIES: CLINICAL PSYCHOLOGISTS	VACANCY RATE: CLINICAL PSYCHOLOGISTS	VACANCIES: SOCIAL WORKERS	VACANCY RATE: SOCIAL WORKERS
1	15.88	11.0%	14	6.5%	10	4.6%
2	6	11.0%	6.25	8.5%	10	7.6%
3	9.9	7.4%	13.85	8.7%	18	10.5%
4	16.8	15.1%	11.1	6.8%	7	4.1%
5	12.32	17.7%	29.5	24.3%	28	15.6%
6	28.93	16.0%	34.87	17.2%	39.5	16.5%
7	39	20.1%	30	16.5%	39	16.6%
8	49.30	16.6%	55	16.8%	52.8	20.2%
9	23.83	20.0%	24	16.5%	47.5	22.8%
10	11.5	9.7%	11.13	6.3%	16	6.5%
11	16.7	16.2%	19	12.8%	26	11.7%
12	10.45	7.7%	15	9.5%	23.125	7.9%
15	22.4	20.1%	38.3	22.6%	37.9	22.7%
16	28.1	20.5%	17.1	12.9%	19	15.3%
17	27	18.4%	34.6	17.4%	43	20.7%
18	23.01	19.1%	23.5	21.1%	20	12.3%
19	17.1	22.2%	11.15	13.3%	16.5	9.6%
20	17.6	17.3%	21	17.2%	46	16.3%
21	23.65	14.6%	28.7	13.9%	36.8	19.7%
22	23.75	15.5%	11.375	7.8%	16	11.1%
23	11.6	12.1%	10	7.6%	14	9.4%
Grand Total	**434.80**	**15.73%**	**459.42**	**13.61%**	**566.13**	**13.58%**

VISN	VACANCIES: NURSES (APRN, RN, LPN)	VACANCY RATE: NURSES (APRN, RN, LPN)	VACANCIES: OTHER PROFESSIONS	VACANCY RATE: OTHER PROFESSIONS
1	23.6	8.5%	17.5	6.3%
2	12	7.3%	8.5	5.5%
3	52.5	16.5%	58	16.5%
4	12.6	4.0%	15	5.0%
5	21.4	10.6%	51.5	26.9%
6	35.8	10.4%	42.5	14.8%
7	65	16.4%	29.5	11.9%
8	58	12.3%	25.5	10.2%
9	21.5	11.1%	27	15.3%
10	27.6	7.0%	13.75	8.5%
11	22.4	7.2%	28.5	10.1%
12	20.2	5.9%	22.1	7.8%
15	26	6.9%	29	13.7%
16	34	10.4%	23.6	7.8%
17	31	16.4%	44.4	20.2%
18	23	8.5%	25	12.8%
19	27.27	9.6%	17.5	12.0%
20	57.3	10.7%	11	5.6%
21	35.4	11.9%	24.8	14.6%
22	36.2	9.4%	32.5	15.0%
23	22.6	6.2%	21.3	12.7%
Grand Total	**665.37**	**9.84%**	**568.45**	**11.87%**

VHA facilities use a variety of strategies to recruit mental health providers including:

- Open continuous posting;
- Use of recruitment/retention incentives;
- Use of dedicated recruiters who attend community job fairs, and colleges;
- Use of recruitment incentives, such as the Student Loan Repayment Program (SLRP) and the Education Debt Reduction Program (EDRP);
- Recruitment advertising in specialty journals or newspapers;
- National VHA recruitment advertising;
- Coordination of recruiting efforts with affiliated schools of medicine;
- Academic affiliation with schools of psychology, nursing, and social work;
- Internship and practicum programs;
- Review and analysis of local labor market salary data to determine if salaries are competitive; and
- Use of new hiring authority to hire Licensed Professional Counselors and Licensed Marriage and Family Therapists.

b. While VA is filling those positions, what steps has VA taken to ensure that veterans receive the course of treatment prescribed to them, either through fee-basis, telemental health, or other options available to VA?

Response. In addressing vacancies, sites may use existing staff, contract staff, locum tenens and consultant psychiatrists or psychologists to provide needed mental health services. Increasingly, telemental health services may be provided from sites that have extra capacity to cover sites with limited capacity. For example, in FY 2012 VHA sent approximately $12 million to the Veterans Integrated Service Networks (VISNs) to place specialized staff at carefully selected sites to deliver Cog-

nitive Processing Therapy (CPT) and Prolonged Exposure (PE) therapy through clinical video teleconferencing to Veterans located at remote Community-Based Outpatient Clinics (CBOC) and at non-VA community sites, as well as to establish regional pilot Evidence Based Psychotherapy (EBP) for PTSD telemental health clinics at three selected sites (Charleston, SC; San Diego, CA; and San Antonio, TX). The regional clinics are intended to enhance on-site services for the treatment of Post Traumatic Stress Disorder (PTSD) with access to telemental health services. Fee basis care is also used if the facility is unable to provide timely mental health services and appropriate timely care is available in the community.

c. In fiscal year 2013 and fiscal year 2014, how much does VA expect to spend on fee-basis care for mental health patients?

Response. VA expects to spend $7.4 million in 2013 and $7.7 million in 2014 on fee-basis care for mental health patients.

Question 2. During the first session of the 112th Congress, the Senate Committee on Veterans' Affairs held two hearings on issues within VA's mental health program. The hearings highlighted the problems veterans face in accessing needed ongoing treatment in mental health clinics. These hearings also probed the results of a VA survey of VHA mental health providers who revealed the problem with veterans accessing care.

a. How does the fiscal year 2013 budget address the issues relating to wait times for appointments, a lack of availability of follow-up appointments, staffing shortages, and lack of space in the mental health clinics which were raised in the Committee hearings?

Response. [This question appears as #27 and was answered in the prehearing VA responses.]

b. When will veterans begin to see improvements in their access to mental health care?

Response. VA is continually expanding mental health programs and is integrating mental health services with primary and specialty care thus providing better coordinated care for our Veteran patients. Thus, Veterans should be seeing continuous improvements in access. VISNs/facilities have been tasked with reviewing data on access; when problems are identified, they have been required to develop and implement correction actions to comply with VA policy. For example, some sites have implemented special access clinics so that any Veteran who walks in the door, either from the community or from another medical provider in the hospital, can be seen for a full mental health assessment same-day. Other sites are increasing the use of Telemental health clinics to improve access to CBOCs and between VA medical centers (e.g., general mental health, substance use disorders, residential rehabilitation treatment programs (RRTP) admission screenings, PTSD groups, and C&P exams). Another example is a site augmenting access to specialty psychiatric services by participation in the National Telemental Health Center Bipolar Disorder consultation pilot, whereby Veterans are provided additional care by bipolar disorder experts at the Boston VAMC. One VISN has contracted with State Community Mental Health Clinics to serve as distal points of telemental health care (provided by VAMC mental health providers) in strategically-located remote rural counties.

Through the site visit process and review of data from its Mental Health Action Plan, VHA continues to identify systemic opportunities to improve access to specific types of care. For example, access to evidence-based psychotherapies has been problematic at some sites. To address this, VHA sent approximately $12 million to the VISNs in FY 2012 to hire specialized staff at carefully selected sites to deliver CPT and PE through clinical video teleconferencing to Veterans located at remote CBOCs and at non-VA community sites, as well as to establish regional pilot EBP for PTSD telemental health clinics at three selected sites (Charleston, SC; San Diego, CA; and San Antonio, TX). The regional clinics are intended to enhance on site services for the treatment of PTSD with access to telemental health services. Variation in staffing has also been identified as an issue. The implementation of the staffing model, anticipated to be implemented by the end of FY 2012, will help ensure that staffing is consistent across VHA.

Question 3. In the fiscal year 2013 budget request, VA reported that an update to the actuarial model found that, because of significantly lower estimates, less funding was needed for health care services, long-term care, and other health care programs than what Congress appropriated for fiscal year 2012 and fiscal year 2013. The VA budget justification books indicate that the extra funding will be reinvested in homeless veterans programs, the Caregivers and Veterans Omnibus Health Services Act, activation of medical facilities, and other programs.

a. If VA's actuarial model indicated there was $2 billion in extra funding for fiscal year 2013, why is VA requesting an additional $165 million for medical care?

Response. VA does not agree with the characterization of $2 billion in "extra funding" for fiscal year 2013. Those funds are needed to provide essential medical care services to our Nation's Veterans. The request for $165 million in FY 2013 above the enacted appropriation for FY 2013 is based on the updated actuarial estimates for the demand for health care services by enrolled Veterans in FY 2013 less the carryover funds from FY 2012 and the updated estimates for collections, and reimbursements in FY 2013.

b. What assumptions in the actuarial model caused a downward revision of $3 billion in fiscal year 2012 and $2 billion in fiscal year 2013?

Response. After adjusting for the civilian pay freeze in 2012 and several services that were not modeled in the actuarial model used as the basis for the FY 2012 Budget, the updated model projections were $556 million (or 1.1 percent) lower than the 2010 Model for 2013. The $556 million reduction was largely due to more current data on utilization patterns of enrollees and revised estimates of the impact of the recession on Veteran's use of VA health care.

c. For each of the programs whose funding would increase as a result of this reinvestment, how much would it increase? Please detail how this increase in funding would be utilized for each program.

Response. For FY 2012 there were changes in the adjusted actuarial estimates for health care, the estimates for long-term care, the estimates for other health programs (i.e., CHAMPVA), and obligations as shown below ($ in millions):

Adjusted actuarial estimates	($2,559)	
Long-term care	($210)	
Other health programs	($115)	
Total reductions	($2,884)	
Less reduction in obligations	$698	(detail composition below)
Total net reduction in estimates	($2,186)	(detail below)
Composition of reduction in obligations:		
Appropriation change	$000	
Transfer to Joint DOD/VA Fund	($234)	(North Chicago)
Transfer to DOD/VA Fund	($15)	(Health Sharing Incentive)
Contingency not appropriated	($240)	
Reimbursement increase	$57	
Unobligated balance increase	$63	
Collection decrease	($329)	
Net reduction in obligations	($698)	
Details of investment of $2,186.		
Zero homelessness	$559	
Activations	$831	
New Models of Care	$610	
Expand Health Care Access	$113	
Caregivers	$43	
Improve Mental Health	$31	
Other	($1)	
Total	$2,186	

d. Please provide the Committee with a more detailed justification for the additional request of $165 million, broken down by program and initiative.

Response. [Although the questions differ slightly from prehearing question 6a&b, these responses to 3d&e are copied from that list.]

For FY 2013 there were changes in the adjusted actuarial estimates for health care, the estimates for long-term care, the estimates for other health programs (i.e., CHAMPVA), and obligations as shown below ($ in millions):

Adjusted actuarial estimates	$(1,715)
Long-term care	(271)
Other health programs	(119)
Total reductions	(2,105)

Less reduction in obligations	110	(detail composition below)
Total net reduction in estimates	(1,995)	(detail below)
Composition of reduction in obligations:		
Appropriation request increase	165	
Reimbursement increase	50	
Collection decrease	(325)	
Net reduction in obligations	(110)	
Details of investment of $1,995:		
Zero homelessness	892	
Activations	448	
New Models of Care	433	
Expand Health Care Access	120	
Caregivers	30	
Improve Mental Health	20	
Other	52	
Total	$1,995	

e. Please identify which facility (new VA hospital, Community Based Outpatient Clinic (CBOC), Outreach Clinic, etc.) activations would be supported with this increase in funding.

VHA Response. The activation funding requested in the FY 2013 Advance Appropriation (FY 2012 President's Budget) was $344 million plus the activation increase requested in the FY 2013 President's Budget (see response to question 6a above), which was $448 million. This equals a total of $792M for FY 2013 activations. The specific projects making up the $792M are listed in the table below.

VISN	Location	State	Project Name	FY13 Total
1	Boston	MA	Boston - Outpatient ClinicLease	250,989
4	Pittsburgh	PA	Pittsburgh - Medical Center Consolidation (OV)	13,138,176
6	Fayetteville	NC	Fayetteville - Health Care CenterLease	43,417,441
6	Charlotte	NC	Charlotte - Health Care CenterLease	42,986,894
6	Winston-Sal	NC	Winston-Salem - Health Care CenterLease	41,528,288
6	Wilmington	NC	Wilmington - Outpatient ClinicLease	17,462,966
6	Greenville	NC	Greenville NC - Outpatient ClinicLease	13,939,892
7	Columbus	GA	Columbus - Community-Based Outpatient ClinicLease	8,445,794
7	Huntsville	AL	Huntsville - Outpatient ClinicLease	6,122,203
7	Birmingham	AL	Birmingham - Clinical Annex/Outpatient ClinicLease	3,782,196
7	Anderson	SC	Anderson - Outpatient ClinicLease	761,505
7	Greenville	SC	Greenville SC- Outpatient ClinicLease	482,936
7	Atlanta	GA	Atlanta - Specialty CareLease	14,334,460
7	Montgomer	AL	Montgomery - Health Care CenterLease	11,037,525
7	Hinesville	SC	Hinesville - Community-Based Outpatient ClinicLease	9,106,926
7	Savannah	GA	Savannah - Community-Based Outpatient ClinicLease	7,989,112
8	Bay Pines	FL	Bay Pines - Inpatient/Outpatient Improvements	322,087
8	San Juan	PR	San Juan - Seismic Corrections Bldg. 1 (OV)	8,188,453
8	Tampa	FL	Tampa - Polytrauma and Bed Tower (OV)	3,756,014
8	Tallahassee	FL	Tallahassee - Outpatient ClinicLease	41,255,651
8	Tampa	FL	Tampa - Primary Care AnnexLease	8,008,680
8	Brandon	FL	Brandon - Outpatient Clinic (Tampa)Lease	7,485,513
11	South Bend	IN	South Bend - Community Based Outpatient ClinicLease	4,467,642
11	Grand Rapid	MI	Grand Rapids - Community Based Outpatient ClinicLease	16,977,340
11	Fort Wayne	IN	Fort Wayne - Community Based Outpatient ClinicLease	783,348
12	Green Bay	WI	Green Bay - Outpatient ClinicLease	59,792,431
15	Columbia	MO	Columbia - Operating Suite Replacement	7,867,043
15	St. Louis (JB	MO	St. Louis (JB) - Med Facility Improv & Cem Expansion (OV)	5,951,838
15	Kansas City	KS	Kansas City - Community-Based Outpatient ClinicLease	6,034,292
16	New Orleans	LA	New Orleans - Restoration/Replacement Medical Facility (OV)	78,326,775
16	Springfield	MO	Springfield - Community-Based Outpatient ClinicLease	4,472,887
16	Mobile	AL	Mobile - Outpatient ClincLease	1,512,723
17	Austin	TX	Austin - Outpatient ClinicLease	12,810,391
17	McAllen	TX	McAllen - Outpatient ClinicLease	1,770,830
18	Mesa	AZ	Mesa - Satellite Outpatient ClinicLease	24,559,679
19	Denver	CO	Denver - Replacement Medical Center Facility (OV)	115,715,592
19	Colorado Sp	CO	Colorado Springs - Community-Based Outpatient Clinic RelocationLease	16,586,626
19	Billings	MT	Billings - Satellite Outpatient ClinicLease	7,423,558
20	Seattle	WA	Seattle - Correct Seismic Deficiencies B100, NT & NHCU	8,609,778
20	Walla Walla	WA	Walla Walla - Multi Specialty Care (Overview)	23,559,980
20	Salem	OR	Salem - Community-Based Outpatient ClinicLease	2,568,506
20	Eugene	OR	Eugene - Community-Based Outpatient ClinicLease	21,511,332
21	Palo Alto	CA	Palo Alto - Centers for Ambulatory Care and Polytrauma Rehabilitation	10,357,494
21	Monterey	CA	Monterey - Health Care CenterLease	10,000,736
21	San Francisc	CA	San Francisco - Research LeaseLease	1,875,873
22	Loma Linda	CA	Loma Linda - Health Care CenterLease	32,490,868
22	San Diego	CA	San Diego - Outpatient ClinicLease	12,512,039
			Total	792,343,302

Question 4. The fiscal year 2013 budget request includes operational improvements that VA estimates could save $1.2 billion. The fiscal year 2012 budget request also included operational efficiencies of just over $1 billion.

a. For fiscal year 2012, how much has been saved, to date, by the operational improvements identified in the fiscal year 2012 budget request? Please provide the amount saved by each category listed in the fiscal year 2012 budget request.

Response. Please see chart below.

Operational Improvements

Dollars in Millions

Description	FY 2012	as of:
Fee Care Payments Consistent with Medicare	($230)	March 2012
Fee Care Savings	($109)	February 2012
Clinical Staff and Resource Realignment[1]	$0	January 2012
Medical & Administrative Support Savings[2]	($69)	December 2011
Acquisition Improvements[3]	$45	March 2012
VA Real Property Cost Savings & Innovation Plan[4]	($66)	March 2012
Total Operational Improvements	($519)	

[1,2,3] Methodology under revision

[4] Updated quarterly

b. Please describe in detail the operational improvements included in the fiscal year 2013 budget request.

Response. VHA operational improvements included in the fiscal year 2013 budget request:

- *Fee Care Payments Consistent with Medicare:* Dialysis Regulation Savings and other care services are the estimated cost savings from purchasing dialysis treatments and other care from civilian providers at the Centers for Medicare and Medicaid rates instead of current community rates.
- *Fee Care Savings:* Fee care savings will be generated through the application of the following initiatives: use of electronic re-pricing tools, use of contract and blanket ordering agreements, decrease contract hospital average daily census, decrease payments to insurers, decrease interest penalty payments to contract hospitals and insurers, and increase revenue generation through the use of automated tools.
- *Clinical Staff and Resource Realignment:* Cost savings will be achieved through the conversion of selected physicians to non-physician providers; conversion of selected registered nurses to licensed practical nurses; and to more appropriately align the required clinical skills with patient care needs. The methodology for reporting savings associated with this initiative is currently under revision in response to recommendations from the Government Accountability Office (GAO).
- *Medical & Administrative Support Savings:* The indirect cost savings will be produced by more efficiently employing the resources in various medical care, administrative, and support activities at each medical center and in VISN and central office operations.
- *Acquisition Improvements:* Acquisition improvements cost savings will be achieved through eight ongoing initiatives: Consolidated contracting; Increasing competition; Bring Back Contracting in House; Reverse Auction Utilities, MED PDB/EZ Save, Reducing contracts, property re-utilization, and using prime vendors to achieve additional price concessions. The methodology for reporting savings associated with this initiative is currently under revision in response to recommendations from the GAO.
- *VA Real Property Cost Savings & Innovation Plan:* This is part of VA's Real Property Cost Savings and Innovation Plan following the Presidential Memo on Real Property (June 2010). VHA's portion includes the following initiatives:
  - Repurpose Vacant and Underutilized Assets—VA has identified 166 vacant or underutilized buildings to repurpose for homeless housing and other initiatives.
  - Demolition and Mothballing—VA has identified 199 vacant or underutilized buildings to demolish or mothball which will reduce operating costs after the cost of demolition.
  - Energy and Sustainability—VA will achieve these savings by regionally pooling energy commodity purchasing contracts, aggressively pursuing energy and water conservation, and investing in the co-generation of electric and thermal energy on-site.

– Improved Non-Recurring Maintenance (NRM) Contracting Processes—By improving how it plans and executes NRM projects, VA is reducing its reliance on external sources of support for the contracting process, saving fees.
– Reduction in Leasing—By consolidating operations previously located on leased properties into owned spaces, VA is reducing its underutilized space.

c. For the category "Acquisition Improvements," please provide the business case for the eight on-going initiatives.

Response. The business case for Acquisition Improvements are pending completion of the methodology revision in response to recommendations from the GAO.

Question 5. The fiscal year 2013 budget request includes a proposal to shift $320 million in funding and 1,080 FTE for VA's Biomedical Engineering Services from Medical Facilities to the Medical Services account.

a. How much was appropriated for fiscal years 2010, 2011, and 2012?

Response. Dollars are not appropriated specifically for the Biomedical Engineering Services. The costs of the Biomedical Engineering Services are currently covered under the Medical Facilities appropriation and under the proposed move would switch to the Medical Services appropriation. The actuals and estimates of funds required for Biomedical Engineering Services are shown in the table below.

	2010 Actual	2011 Actual	2012 Estimate
Dollars in Millions	$263	$274	$288

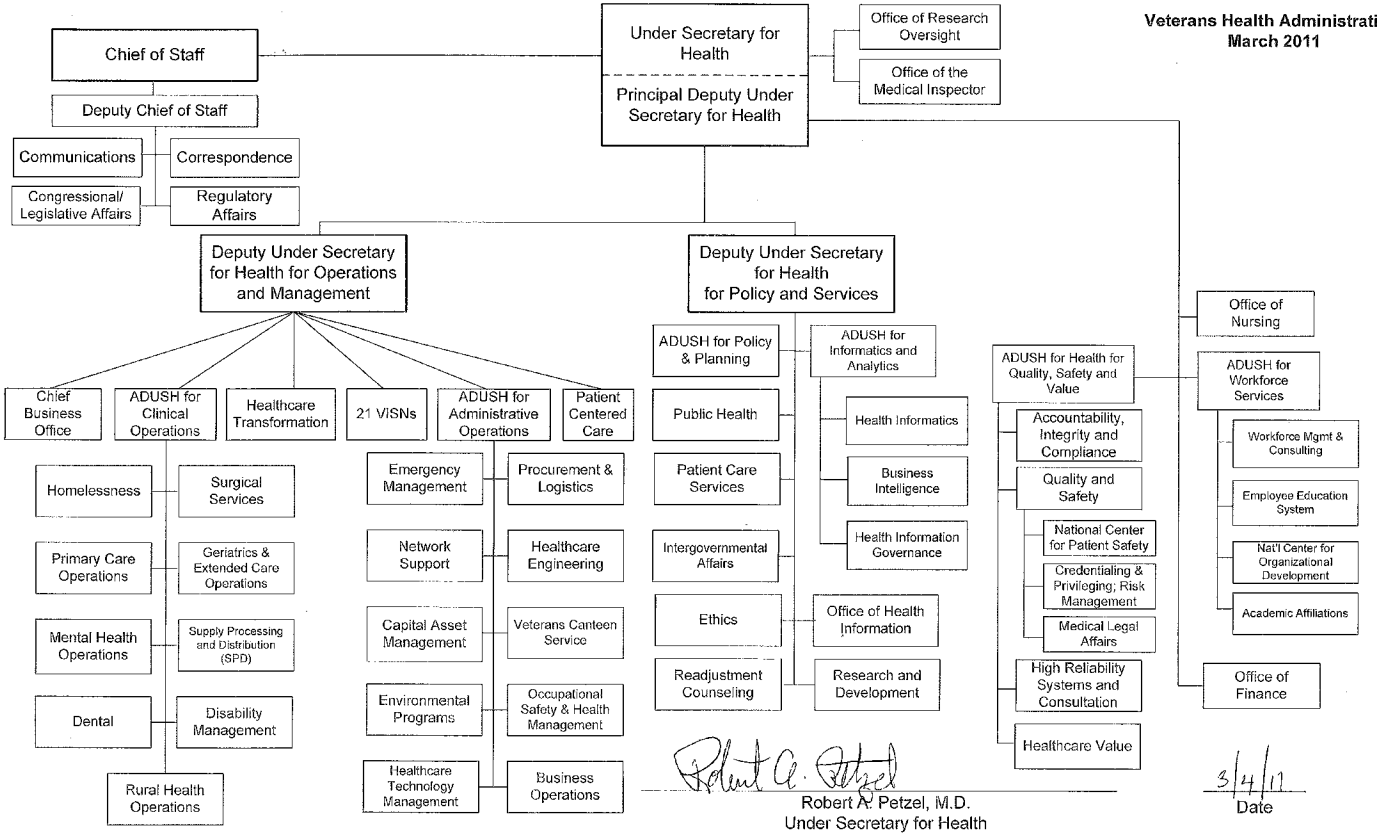
b. Please describe in detail the purpose of this office and the reasoning for shifting these funds to the Medical Services account.

Response. Biomedical Engineering Services are responsible for the overall management of medical technology in VHA, including requirements analysis, installation and deployment, and on-going sustainment. Biomedical Engineering Services includes personal services and other costs associated with maintenance and repair of all medical equipment used in the treatment, monitoring, diagnosis, or therapy of patients. In order to properly align the appropriation requests with the nature of the services provided, funds are moved from the Medical Facilities appropriation to the Medical Services appropriation.

c. Please provide an updated organizational chart reflecting at least three supervisory line levels above where the Biomedical Engineering Services are located within the VHA Central Office structure.

Response. Biomedical Engineering falls under Healthcare Technology Management, which would report to ADUSH for Administrative Operations to the DUSH for Operations and Management. A VHA organizational chart is attached below.

Veterans Health Administration
March 2011



Robert A. Petzel, M.D.
Under Secretary for Health

3/4/11
Date

Question 6. The fiscal year 2013 budget request proposes spending $601 million in fiscal year 2013 and $99 million in fiscal year 2014 for facility activations.

a. For fiscal year 2013 and fiscal year 2014, please provide the Committee with a list of the facilities and amounts assigned to each activation and please identify the facility by type (VAMC, CBOC, Vet Center, etc.).

Response. The $601 million in FY 2013 and $99 million in FY 2014 represent only the Medical Services portion of the total activation obligations for those respective years. The total activations for all three medical appropriations is $792 million and $135 million for FY 2013 and FY 2014, respectively (see page 1A–5 of vol. 2 of 4 of the FY 2013 Budget submissions). Projects included in the FY 2013 activations amount are listed in the following chart. As is our standard practice under advance appropriations, we will revisit the FY 2014 request for activations during the FY 2014 budget process, and a final list of FY 2014 projects will be included in the FY 2014 President's Budget request.

VISN	Location	State	Description	FY13 Total
1	Boston	MA	Boston - Outpatient ClinicLease	$0
4	Pittsburgh	PA	Pittsburgh - Medical Center Consolidation (OV)	$13
6	Fayetteville	NC	Fayetteville - Health Care CenterLease	$43
6	Charlotte	NC	Charlotte - Health Care CenterLease	$43
6	Winston-Salem	NC	Winston-Salem - Health Care CenterLease	$42
6	Wilmington	NC	Wilmington - Outpatient ClinicLease	$17
6	Greenville	NC	Greenville NC - Outpatient ClinicLease	$14
7	Columbus	GA	Columbus - Community-Based Outpatient ClinicLease	$8
7	Huntsville	AL	Huntsville - Outpatient ClinicLease	$6
7	Birmingham	AL	Birmingham - Clinical Annex/Outpatient ClinicLease	$4
7	Anderson	SC	Anderson - Outpatient ClinicLease	$1
7	Greenville	SC	Greenville SC- Outpatient ClinicLease	$0
7	Atlanta	GA	Atlanta - Specialty CareLease	$14
7	Montgomery	AL	Montgomery - Health Care CenterLease	$11
7	Hinesville	SC	Hinesville - Community-Based Outpatient ClinicLease	$9
7	Savannah	GA	Savannah - Community-Based Outpatient ClinicLease	$8
8	Bay Pines	FL	Bay Pines - Inpatient/Outpatient Improvements	$0
8	San Juan	PR	San Juan - Seismic Corrections Bldg. 1 (OV)	$8
8	Tampa	FL	Tampa - Polytrauma and Bed Tower (OV)	$4
8	Tallahassee	FL	Tallahassee - Outpatient ClinicLease	$41
8	Tampa	FL	Tampa - Primary Care AnnexLease	$8
8	Brandon	FL	Brandon - Outpatient Clinic (Tampa)Lease	$7
11	South Bend	IN	South Bend - Community Based Outpatient ClinicLease	$4
11	Grand Rapids	MI	Grand Rapids - Community Based Outpatient ClinicLease	$17
11	Fort Wayne	IN	Fort Wayne - Community Based Outpatient ClinicLease	$1
12	Green Bay	WI	Green Bay - Outpatient ClinicLease	$60
15	Columbia	MO	Columbia - Operating Suite Replacement	$8
15	St. Louis (JB)	MO	St. Louis (JB) - Med Facility Improv & Cem Expansion (OV)	$6
15	Kansas City	KS	Kansas City - Community-Based Outpatient ClinicLease	$6
16	New Orleans	LA	New Orleans - Restoration/Replacement Medical Facility (OV)	$78
16	Springfield	MO	Springfield - Community-Based Outpatient ClinicLease	$4
16	Mobile	AL	Mobile - Outpatient ClincLease	$2
17	Austin	TX	Austin - Outpatient ClinicLease	$13
17	McAllen	TX	McAllen - Outpatient ClinicLease	$2
18	Mesa	AZ	Mesa - Satellite Outpatient ClinicLease	$25
19	Denver	CO	Denver - Replacement Medical Center Facility (OV)	$116
19	Colorado Springs	CO	Colorado Springs - Community-Based Outpatient Clinic RelocationLease	$17
19	Billings	MT	Billings - Satellite Outpatient ClinicLease	$7
20	Seattle	WA	Seattle - Correct Seismic Deficiencies B100, NT & NHCL	$9
20	Walla Walla	WA	Walla Walla - Multi Specialty Care (Overview)	$24
20	Salem	OR	Salem - Community-Based Outpatient ClinicLease	$3
20	Eugene	OR	Eugene - Community-Based Outpatient ClinicLease	$22
21	Palo Alto	CA	Palo Alto - Centers for Ambulatory Care and Polytrauma Rehabilitation (OV)	$10
21	Monterey	CA	Monterey - Health Care CenterLease	$10
21	San Francisco	CA	San Francisco - Research LeaseLease	$2
22	Loma Linda	CA	Loma Linda - Health Care CenterLease	$32
22	San Diego	CA	San Diego - Outpatient ClinicLease	$13
			Total	$792

b. Please describe in detail how the activation funds will be spent.

Response. The activation funds in the table include both recurring and non-recurring activation costs. Recurring costs are based on the ongoing costs incurred from the expanded services resulting from the project. Examples of recurring activations costs include the startup costs for clinicians for new clinics or clinics expanding; startup costs for housekeeping staff to help maintain the larger footprint of Community Living Centers; etc. These recurring activations costs must be separately budgeted for until the Enrollee Health Care Projection Model picks up these costs for the new/expanded facility in a future budget year.

Non-recurring costs support both existing space as well as new space; renovated space assumes a reuse factor to balance new furniture and equipment with replacement expectations. Examples of non-recurring activations include replacing existing furniture for newly converted Community Living Centers; one-time costs for new medical equipment to fully operationalize new Spinal Cord Injury Centers; and one-time costs for new furniture to outfit new Domiciliaries. Activations funding also provides the upfront funding to help move existing equipment; train employees on the new systems; and hire activation managers for larger outpatient clinics and new and replacement medical centers.

Question 7. The fiscal year 2013 budget request includes proposed funding of $102 million in 2013 to expand health care access for veterans. According to the budget justification, this initiative aims to provide the "clinically appropriate quality care" to veterans in the right place and the right time. This would also include the use of technology where appropriate.

a. How much is projected to be spent in fiscal year 2013 on this initiative?

Response. VA anticipates obligating $120 million on this initiative in FY 2013, of which $102 million is for Medical Services, as proposed in the FY 2013 Budget.

b. How much is projected to be spent in fiscal year 2014 on this initiative?

Response. VA is currently requesting no advance appropriation funding for this initiative in 2014. Requirements for this initiative will be re-assessed during the FY 2014 budget process.

c. For the following sub-initiatives, systems redesign, transportation, and hospital quality and transparency, please provide a detailed analysis of how these initiatives will increase access to care for veterans.

Response.

Systems Redesign: Systems Redesign is engaged in many activities aimed at improving outpatient and inpatient access. The following is an overview of these activities.

Outpatient: VHA schedules over 85 million appointments per year. Ensuring timely access to face-to-face and non-face-to-face venues of care requires clinic managers to understand and implement systems engineering operational strategies in day-to-day clinic management that will ensure the volume of patient requests for appointments are able to be met with adequate numbers of appointment slots. Systems Redesign oversees this at a national level, and teaches and leads initiatives to improve access and provide consultative assistance to local facilities. Systems Redesign also manages the scheduling policy, scheduler education, measurement strategy and analysis, and educational efforts including the VHA's Access Academy, Patient Aligned Care Teams (PACT) collaboratives, Virtual Specialty collaboratives, the National Initiative to Reduce Missed Opportunities (no-shows), etc. Finally, this group is managing VHA's efforts to establish business needs for new scheduling software which will lead to eventual acquisition and implementation of this badly needed functionality.

Inpatient: Inpatient access and flow. Knowledge and tools to ensure timely inpatient care have exploded in the last 10 years. In order to ensure VHA managers have the best operational management tools available, Systems Redesign leads a large menu of activities. These include one of the most used VHA web pages containing improvement projects and efforts, a menu of educational events including virtual collaboratives to improve patient handoffs and transitions, and management of hospital flow. Systems Redesign also hosts a National Flow Academy to help local managers learn queuing theory and improvement strategies. In the recent past, these efforts included Cancer Care Collaborative Improvement Efforts and the Bedside Care Collaborative. Engineering colleagues have helped to create over 12 toolkits to share knowledge system-wide.

In addition, Systems Redesign has lead efforts to improve informatics tools designed to support, manage, and improve inpatient access, transparency, and visibility. As a result of these efforts, VHA will soon have the ability to see all inpatient bed access data nationally. These information systems are described in the following paragraphs:

The Bed Management Solution (BMS) provides VHA facility leaders and front line staff with key resource allocation and bed availability information to ensure Veterans receive the most appropriate level of care and services in a timely manner for optimal patient care. All facilities have installed BMS. BMS reports are now available and increasingly being used to manage inpatient flow within and between facilities—including patient bed availability and patient bed requests. Systems Redesign has sponsored numerous BMS workshops, flow improvement collaboratives, and provide ongoing technical support to assist facilities in improving their ability to manage inpatient flow. In addition, Systems Redesign began the process of a detailed assessment of 35 VA to gather information needed to establish future VHA policy governing inpatient flow.

The Emergency Department Integration Software (EDIS) provides critical Emergency Department (ED) flow information and will ultimately link with BMS through the Comprehensive Flow Manager (CFM) to more efficiently transfer patients from the ED to the inpatient setting, avoiding lack of inpatient access, costly and clinically concerning delays and patients waiting unnecessarily in the ED. EDIS has been installed in every VA facility where it is appropriate. Sites are on schedule to complete training in the use of EDIS. In addition, EDIS application data elements are being incorporated into national databases. In 2011, planning began for the incorporation of stroke protocols in EDIS.

The Surgical Quality and Workflow Manager (SQWM) will provide critical pieces of information relative to surgical flow to ensure patient access to needed surgical services and efficient and quality-focused patient hand-off to and from the surgical setting. A Commercial Off-The-Shelf (COTS) product for SQWM was selected ahead of schedule, and an aggressive implementation timeline, to include training and implementation workshops, has been developed.

Finally, future development of CFM, currently in the conceptual stages, will provide a system linking BMS, EDIS, and SQWM together to allow for effective resource allocation which will ultimately enhance patient access to inpatient services across the board.

Health Care Quality and Transparency: The focus of the Health Care Quality and Transparency initiative has been to enhance the internet presence to display quality and safety information using a single web portal that is useful and understandable for our stakeholders Veterans, their families and the general public. By providing our stakeholders with more useful information about care they can receive at VA facilities, they can make more informed decisions about their own health care. Also, by increasing our internet presence to provide quality of care information, VHA is increasing access to, and awareness of information about VA health care, not only for the general public, but for transitioning Veterans and Servicemembers who may not be aware of VA health benefits. As a result of providing more useful and understandable quality and safety information, the initiative will also create an increase in health literacy, attract a new generation of enrollees, and generate shared public interest and transparency in VA care and services across multiple agencies.

Major milestones of the initiative began in 2010 when VA began posting core quality measures on the Web site www.hospitalcompare.hhs.gov, which is sponsored by the Centers for Medicare and Medicaid Services (CMS). VA's partnership with CMS provides the Veteran with the ability to compare up to 3 VA and non-VA hospitals based on proximity to the Veteran's zip code. In the summer of 2011, VA expanded our reporting through CMS to include outcome measures, including risk-adjusted hospital mortality and readmission rates for three common conditions, Chronic Heart Failure (CHF), Acute Myocardial Infarction (AMI), and Community-Acquired Pneumonia (CAP).

In addition, VA also began April 2010 to provide the most up-to-date information by initiating a separate reporting site, VA Hospital Compare (www.hospitalcompare.va.gov) which provides quality and outcome information that reflects care provided in the previous quarter. In FY 2011, this site began to include patient satisfaction (HCAHPS) measures through the ASPIRE dashboard.

Other accomplishments include researching and understanding the needs of Veterans for quality and safety information in efforts to provide more useful information via the internet. As a result of our efforts, version 1.0 of the redesigned Quality of Care Web site was released in March 2011. Additional usability studies were completed on the VA's ASPIRE Web site. VA's ASPIRE Web site provides a much broader dashboard of quality and safety based measures, not on a comparison with average performance, but with goals that we believed represented the highest possible level of performance—our system's aspirations. Originally intended to be an internal reporting system, ASPIRE was released to the general public in FY 2011 in order to demonstrate VA's commitment to those goals. Since then, we have enlisted Veterans and others to provide input into the design of the site in order to make it

more useful and easier to navigate. Some changes have already been made based on that input, and we are working with web developers to produce a completely revised, Veteran-centric format. We expect those revisions to be released to the public on a new Quality of Care Web site on or before September 30, 2012.

Question 8. In an August 2009 report, the Office of Inspector General (OIG) estimated that $1.5 billion in improper payments could be avoided with more effective policies and procedures in fee care collections. In August 2010, the VA Inspector General reported that VHA improperly paid 28 percent of inpatient fee claims, resulting in net overpayments of $120 million in fiscal year 2009 and an estimated $600 million in improper payments over a 5-year period. Between these two audits of inpatient and outpatient medical care, OIG estimated potential improper payments of $1.5 billion through fiscal year 2015 could be avoided by more effective policies and procedures to oversee and manage fee care services. In response to the Inspector General's audit recommendations, VHA contracted with the National Academy of Public Administration (NAPA) to conduct an independent review of the fee care program. In its report, NAPA indicated that VHA could learn a tremendous amount by looking at how TRICARE or Medicare contracts out inpatient and outpatient claims. Has VA acted on the recommendation from the NAPA study and looked at how TRICARE and Medicare collect on their inpatient and outpatient claims? If not, does VA intend to do so? If a cost-benefit analysis has been conducted, please provide a copy of the report.

Response. In response to the NAPA study, VHA established a National Fee Program Organizational Assessment Analysis and Planning Workgroup to analyze options for the most effective model to support back office functions of claims processing. The workgroup conducted a detailed analysis utilizing NAPA's recommendations and assessed how other entities such as TRICARE and Medicare process claims via contract. From this effort, the group intends to provide the Under Secretary for Health with recommendations to assure the most effective and efficient operational model to support the Non-VA Care Program. The preliminary findings and recommendations from the workgroup are under review.

Question 9. VHA has approximately 153 hospitals, 833 CBOCs, and 300 Vet Centers, which require upkeep through the non-recurring maintenance (NRM) and repair subaccount of the Medical Facilities account. Maintenance and repair may be key elements to sustaining the buildings VA already owns and utilizes on a daily basis. The fiscal year 2014 advanced appropriation request proposes to cut NRM in half as compared to the fiscal year 2013 level. Please describe the metrics involved in estimating how much funding is needed in this account.

Response. The funding amount included for the FY 2014 advance appropriation request in the 2013 President's Budget for NRM is an estimate, based on the need to balance priorities across all programs. The request will be reviewed during the formulation of the 2014 President's Budget in the context of the FY 2014 Strategic Capital Investment Planning (SCIP) process results. The metrics used to inform the SCIP process criteria include ensuring safety and security, fixing facility deficiencies, supporting Departmental initiatives, increasing access, right-sizing inventory, and ensuring value of investment.

Question 10. In April 2011, the VA Office of Inspector General released an "Audit of VHA's Office of Rural Health." In the findings, the Inspector General found the Office of Rural Health (ORH) had several program weaknesses including: "inadequate assessment and mitigation of financial risk; lack of policies and procedures to ensure staff followed management directives; * * * ineffective project monitoring system; lack of procedures to monitor performance measures; and inadequate assessment of rural healthcare needs."

a. The Inspector General made six recommendations to the Under Secretary for Health; please provide the Committee with the status of the open recommendations.

Response. The Office of Rural Health (ORH) received notification on March 12, 2012 that the Inspector General's audit of the VHA's Office of Rural Health is now closed based on the status report compiled by ORH and submitted to the OIG on September 27, 2011. Attached below is a summary of the status of the recommendations as of March 2012.

Office of Rural Health (ORH)

Update on the Status of VA's Response to OIG Recommendations
March 2012

Recommendation 1:	We recommended that the Under Secretary for Health implement financial controls, such as providing written guidance to program sponsors and implementing a mechanism to monitor the use of rural health funds. *VHA Status 3/2012:* Fiscal Year (FY) 12 update—The Office of Rural Health (ORH) has instituted policies and procedures that ensure sound financial stewardship of its funds. The obligation rates by the Veterans Integrated Service Networks (VISNs) of rural health funds are closely monitored by the ORH budget analyst. If the obligation rates are deemed to be inadequate given the point in time during the fiscal year, ORH program analysts contact the responsible VISN Rural Consultant (VRC) to investigate the matter. In addition, any project/program budget changes requested by the field must submitted by the responsible VRC and undergo a formal review process by the ORH program analysts and the ORH Director and Deputy Director. The VRCs must document why the change is requested and how the funds will be redirected. This includes providing information on how the change will impact rural Veterans, as well as updating project milestones, performance measures and quality measures. All changes are recorded in the project electronic record in the ORH Management and Analysis Tool.
Recommendation 2:	We recommended that the Under Secretary for Health establish management policies and procedures to ensure VHA's proposal selection process is followed. *VHA Status 3/2012:* For the FY 2013 rural health project review process, a concept paper submission system was established to reduce the number of full proposal submissions, a clear set of guidelines for approval and disapproval of concept papers for reviewers was created and implemented, and a workshop was held for the VRCs by ORH staff to help further develop and refine 5 page project proposals to be considered for funding in FY 2013. Proposals will be reviewed by the Selection Review Committee (SRC) in the summer of FY 2012 and will consist of members as described above. The tasks and responsibilities of the SRC will remain as described above and well as those in established ORH policies and procedures for the proposal selection process.
Recommendation 3:	We recommended that the Under Secretary for Health implement an effective communication plan to effectively coordinate and collaborate with key rural health care stakeholders in the use of rural health care funds. *VHA Status 3/2012:* • ORH has recently developed collaboration with the American Legion to disseminate electronically to their 2.1 million members, the ORH newsletter, fact sheets, Rural Health Resource Center study findings, ORH activities and other information of interest or relevance to rural and other Veterans. • Additionally, there are now well over 3000 email addresses in the ORH contacts database that receive regular updates to ORH activities and study findings. • The ORH Web site has received over 20,000 hits in one year. • ORH intends to increase dissemination of important rural Veteran health issues and study findings through a partnership with the National Rural Health Association which has a membership of over 20,000 rural health providers, professionals, advocates and educators. • ORH's latest newsletter can be found at http://www.ruralhealth.va.gov/news/index.asp • There are now 15 monthly ORH fact sheets available for download from the ORH Web site • There are now 10 ORH issue briefs available for download from the ORH Web site • There are now 15 peer reviewed articles authored by ORH or other VA staff on rural Veteran Health issues available for download on the ORH Web site • Video production as described above did not take place due to loss of key personnel, however, the ORH communications team is making plans for a new series of videos focused on rural Veteran health issues • There will be four ORH speakers at the National Rural Health Association annual meeting presenting on topics such as improving rural Veteran access to health care; implementing a teleretinal screening program for rural Veterans, and establishing a telemental health network for Native Veterans. • The Director of ORH presented to the National Rural Health Association Public Policy Institute on ORH's programs and activities in Washington DC, in January 2012. • ORH participated in National Rural Health Day by giving a National webinar on rural Veteran health issues sponsored by the National Organization of State Offices of Rural Health in November 2011.

Office of Rural Health (ORH)—Continued

Update on the Status of VA's Response to OIG Recommendations
March 2012

Recommendation 4:	We recommended the Under Secretary for Health establish a project monitoring system, such as an Access database on a portal and implement monitoring procedures that would provide relevant, reliable, and timely project management information. *VHA Status 3/2012:* ORH has moved its database to the portal provided by the VHA support service center (VSSC). The new database is called the ORH management and analysis tool (OMAT). All of FY 2012 funded project information has been entered into this electronic database.
Recommendation 5: VA Response.	We recommended that the Under Secretary for Health establish procedures to monitor performance measures to determine the impact of rural health care funding on improving access and quality of care for rural veterans. *VHA Status 3/2012:* Core performance measures along with project/program specific measures have been developed and included with each project record in the OMAT database. VRCs will begin entering their project milestones and measures into the database Spring 2012.
Recommendation 6: VA Response.	We recommended that the Under Secretary for Health reassess the rural health initiatives approved for funding by Office of Rural Health in their FY 2012 budget to align planned use of resources to their greatest rural health needs. *VHA Status 3/2012:* ORH staff continues to conduct focus groups to better understand rural Veteran health care needs. In addition, ORH continues to fund rural Veteran outreach activities to help rural Veterans understand their benefits, to help them enroll in the VA health care system and to educate Veterans on how to better manage their chronic health conditions. The ORH strategic plan refresh has been implemented and each action item associated with goals and objectives is updated and monitored quarterly. In FY 2011, no ORH funds were used to fund fee care. In addition in 2012, no ORH funds for fee care were included in the ORH Spend Plan. However, ORH has allocated $30 million to the pilot project ''Access Received Closer to Home'' (Project ARCH) that is a non-VA Contract Care Pilot Program.

b. In fiscal year 2011, the Office of Rural Health was appropriated approximately $268 million; please provide the Committee with a detailed analysis of how this funding was utilized.

Response. VA appreciates Congress' continued support of rural health-focused resources. ORH outlines the following in regards to their FY 2011 rural health spending plan of $273.9 million.

VA is committed to improving access and quality of health care services to rural and highly rural Veterans. This funding improved access and the quality of care for rural and highly rural Veterans by developing evidence-based policies and innovative practices to support the unique needs of the Veterans residing in geographically remote areas. It allowed VA to meet the goals of the ORH program and improved the quality of care and services to our Veterans. There were two major components that comprised the $273.9 million VA provided to rural health in FY 2011. VA allocated $23.9 million on centrally managed programs of the Office of Rural Health and $250 million on projects and initiatives. The rural health spending plan focused on major initiatives and programs described below.

- *ORH Centrally Managed Programs—$23.9 million*. These funds were used primarily for the following initiatives:
  - Telehealth ($7 million). VA obligated $7 million to support rural health Telehealth projects. The Telehealth projects used information and telecommunications technologies to deliver care remotely. It enabled care to be provided near or in the rural Veteran's community or home at the time when care was necessary. It reduced the need for travel by patients and providers and increased access to care for rural Veterans in over 36 specialty areas. It improved access and provided high quality service for rural Veterans.
  - Veterans Rural Health Resource Centers (VRHRC) ($6.5 million). VA used $6.5 million to support the VRHRCs. There are three VRHRCs: White River Junction, VT; Iowa City, IA; and Salt Lake City, UT. They function as field-based clinical laboratories and serve as rural health experts for all VISNs. They act as educational and clinical repositories and provide programmatic support to ORH and a resource for all Veteran Rural Consultants (VRC).

They make recommendations based on evidence-based studies and analyses that impact the care to rural Veterans.

– Teleradiology Services Sustainment ($717,437). VA provided $717,437 for teleradiology services for rural Veterans in all 21 VISNs. These were outreach services that enhanced the access to and quality of radiology services for Veterans living in rural and highly rural areas and improved the quality of services while providing services closer to their homes.
– Other Administrative Funds ($9.7 million). With the remainder of the administrative funds, VA supported the following:
  - o ORH Salaries and Supplies ($1.6 million)
  - o VISN Rural Consultants ($1.1 million)
  - o Veteran's Rural Health Advisory Committee ($60,000)
  - o Office of Academic Affiliation Rural Residency Program ($276,300)
  - o ORH Policy and Planning Group Contract ($777,950)
  - o Additional support for Projects and Initiatives ($5.9 million)

• *Project and Initiative Funds—$250 million*. These funds were used primarily for the following initiatives:

– Project Access Received Closer to Home (ARCH) ($3.1 million). VA utilized $3.1 million to support implementation of Public Law 110–387, the "Veterans' Mental Health and Other Care Improvements Act of 2008," Section 403. This required VA to conduct a pilot program to provide non-VA care for Veterans meeting the statute's eligibility criteria in five Veterans Integrated Service Networks (VISNs). The VISNs that conducted the pilot program were: 1, 6, 15, 18 and 19. This pilot program improved access for eligible Veterans by connecting them to health care services closer to their homes through contractual arrangements with non-VA providers. This program is underway.
– Sustainment Funding ($246.9 million) for over 300 projects and programs including the priority programs listed below:
  - o CBOC rural areas ($70.5 million). VA continues to improve access to care for Veterans in geographically remote areas through the expansion of CBOCs throughout the country. Fifty-two CBOCs were supported by ORH funding in FY 2011. Funding the rural and highly rural CBOCs at $70.5 million improved access and services for the rural and highly rural Veterans in 12 of our 21 VISNs. In previous reports to Congress, VA estimated $87.8 million for 51 CBOCs. This estimate was revised to $70.5 million; the difference funded Public Law 110–387, section 403, requirements. One additional CBOC, Albany CBOC, was added to the list for funding in FY 2011.
  - o Women Veterans Health ($603,978). VA continues to work in rural and highly rural regions to identify gender-based gaps and disparities related to women's care. Other ongoing projects included, educating providers on gender-specific issues, enhancing primary care for women Veterans in rural areas; and ordering, providing, tracking and timely follow-up of mammogram and pap-smear results in rural areas. VA also provided bio-feedback therapy to women Veterans in rural/highly rural areas to regulate pain and anxiety.
  - o Telehealth ($30.5 million). VA continued to support and expand telehealth into rural and highly rural areas. Services included tele-renal, tele-psych, tele-dermatology, tele-mental health, tele-amputee clinic, tele-rehab, telepharmacy, tele-polytrauma, tele-radiology and others.
  - o Home-Based Primary Care (HBPC) ($25.9 million). Twenty-one HBPC sites in twelve VISNs were funded in FY 2011. They provided cost-effective primary care services for Veterans in rural and highly rural areas.
  - o Outreach Clinics ($5 million). These clinics provided primary care services, case management, and mental health services. Each rural outreach clinic is part of a VA network, maintaining VA's quality standards and access to VA facilities for specialized needs.
  - o Behavioral Health ($1.5 million). Substance abuse and treatment, including alcohol and other substances, were addressed in mental health and other specialty treatment programs like tobacco cessation were supported through ORH funding in FY 2011.
  - o Homeless ($4.9 million). To support the Secretary's goal of ending Veteran homelessness, the rural health program supported projects that provided outreach and identified and prevented homelessness by providing prevention services. In addition, other services were provided to help Veterans learn about benefits and services for which they and their families qualified.

- o Transportation ($3.2 million). To support access to care from and to rural and highly rural areas, including remote-island locations, funds were provided to purchase vans, supplement travel fares, hire drivers, support shuttle buses, and identify transport models for improved rural access.
- o Mental Health ($856,807). Mental Health is high priority for VA. Several projects were funded to address and treat mental health disorders including depression, Post Traumatic Stress Disorder (PTSD), suicide prevention, substance abuse and other problems experienced by Veterans living in rural and highly rural areas.
- o Sustainment of 76 additional rural health projects ($103.9 million). Other types of projects to improve access and quality of care included rural mobile health clinics that extended access to primary care, case management and mental health services in rural areas where it was not feasible to establish a fixed point of access. ORH initiated geriatric health care programs to provide more opportunities for Veterans to stay close to home. VA has Medical Foster Homes, which provide non-institutional long-term care for Veterans who are unable to live independently and prefer a family setting. Other efforts included projects focused on speech, language, physical therapy, occupational therapy and rehabilitation that were provided for Veterans in rural and highly rural settings.

The funds for rural health improved access and high-quality services for the rural and highly rural Veterans by providing high-quality care in the homes and in the communities of the rural Veterans across the country. VA provided a wide range of services and benefits through this rural health funding in response to the unique needs of rural and highly rural Veterans. The rural health program supported VA's transformation to an integrated delivery system that emphasized a full continuum of care in a patient-centered environment, by providing care that specifically addressed the needs of rural and highly rural Veterans.

c. Please provide the Committee with a detailed analysis of how the fiscal years 2012 and 2013 funding will be utilized to ensure that taxpayer dollars will be used in an effective and efficient manner.

Response. In FY 2012, ORH was appropriated $23.89 million for ORH Centrally Managed Programs and $250 million to support rural health projects and initiatives. It is anticipated that approximately the same amount of funds will be provided to ORH for FY 2013. The spend plan for FY 2012 is delineated below.

PART A—ORH Centrally Managed Programs

Project Title	Description of line item	FY12 Funding
ORH Salary, Supplies, and Other	Funds support annual salaries, travel, training, and supplies for the Office of Rural Health	1,786,615
Veterans Rural Health Advisory Committee (VRHAC)	Veterans Rural Health Advisory Committee—12 person Federal Advisory Committee that provides advice and counsel to the SecVA on issues affecting rural Veterans.	70,000
Veterans Rural Health Resource Centers (VRHRC) Funding	Annual budget for 3 Veteran Rural Health Resource Centers	6,753,543
VISN Rural Consultants (VRCs)	VRC salary and travel costs	1,174,254
Quality Management		1,200,000
Transportation Partnership		2,000,000
HRSA Partnership		65,227
ORH Projects	Additional support for projects approved for FY12	7,928,842
Office of Telehealth Services		2,911,519
TOTAL PART A	.....	$23,890,000

PART B—Projects and Initiative Funds

Project Title	Description of line item	FY12 Funding
Project ARCH—Public Law 110-387, Section 403	Section 403 of the law requires VA to conduct a pilot program that would provide non-VA care for highly rural enrolled Veterans in five VISNs. (VISNs 1,6,15, 18 & 19) meeting the statute's eligibility criteria	35,000,000
FY 12 new projects, sustainment of existing projects, and expansion of existing projects	From over 460 projects that were submitted and reviewed, 285 projects were approved, addressing many VHA and ORH priorities such as Telehealth, Women veterans, Mental Health, Homelessness, and Access & Quality	215,000,000
TOTAL PART B	.....	$250,000,000

Category	Number of Projects	FY 2012 Funding
Access & Quality	45	27,712,926
CBOC	54	72,901,561
Collaboration & Outreach	15	12,718,980
Geriatrics	51	43,036,639
Homelessness	2	961,699
Mental Health	34	13,341,135
Specialty Care	35	6,490,781
Tele & Models of Care	57	31,710,485
Training & Education	15	3,475,481
Women Veterans	12	2,597,589
Project ARCH	1	35,000,000
Office of Telehealth Services	1	52,724
TOTAL ALL CATEGORIES	322	$250,000,000

VISN	Number of Projects	FY 2012 Funding
VISN 1	3	724,000
VISN 2	9	4,765,047
VISN 3	7	3,944,318
VISN 4	6	4,134,720
VISN 5	7	3,500,926
VISN 6	21	26,520,035
VISN 7	20	16,220,765
VISN 8	12	12,243,996
VISN 9	10	3,177,664
VISN 10	10	9,979,330
VISN 11	11	8,853,299
VISN 12	18	4,935,385
VISN 15	17	12,623,524
VISN 16	19	24,921,392
VISN 17	15	3,982,493
VISN 18	20	7,000,420
VISN 19	36	13,979,919
VISN 20	25	22,719,231
VISN 21	37	24,189,954
VISN 22	6	3,016,515
VISN 23	10	2,914,343
Program Offices	1	600,000
Project ARCH	1	35,000,000
Office of Telehealth Services	1	52,724
TOTAL ALL VISNs	322	$250,000,000

Question 11. The Office of Rural Health oversees Project ARCH (Access Received Closer to Home), a pilot program which provides veterans in rural communities ac-

cess to healthcare services within their local communities. The pilot program is established at five sites and began delivering services on August 29, 2011.

a. Please provide the Committee with how much funding has been allocated to support this pilot program in fiscal year 2012 and fiscal year 2013.

Response. In FY 2012, the ORH has allocated $35 million toward Project ARCH. In FY 2013, ORH will allocate $35 million toward Project ARCH.

b. What steps has VA taken to ensure lessons learned from Project HERO (Healthcare Effectiveness through Resources Optimization) have been taken into account to ensure Project ARCH will be utilized fully at the five sites? Please provide the Committee with how many veterans will be eligible for Project ARCH at each location and how many veterans have accessed services through this pilot program.

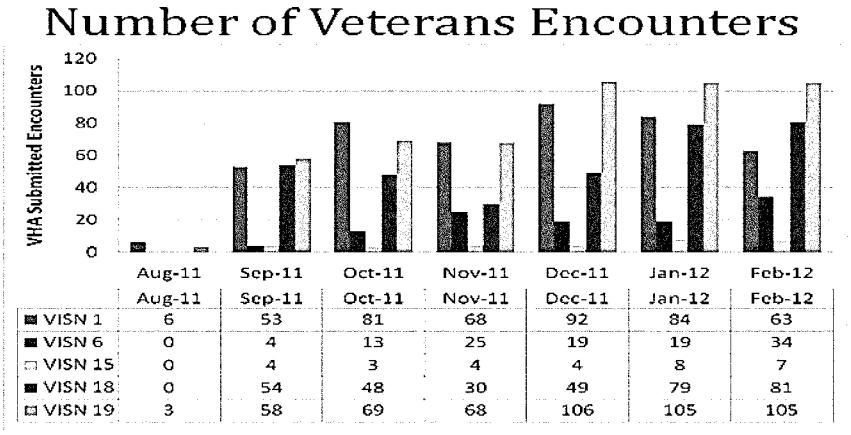
Response. ORH oversees Project ARCH (Access Received Closer to Home), a pilot program which provides Veterans in rural communities access to health care services within their local communities. The pilot program, as directed by law, is established at five sites and began delivering services on August 29, 2011. Monthly calls are conducted between the Program Manager for Project HERO and the Program Manager for Project ARCH to ensure any lessons learned can be passed along to either program. The Project Manager for Project ARCH is also the liaison from ORH to Project HERO.

Eligibility for the Project ARCH is by statute and as such can fluctuate broadly between VISNs and type of care Veterans require. Because of this, estimations are by Veteran encounters not by number of unique Veterans. Estimations for the number of Veterans encounters were based on the type of service being requested and the site of care. Noted below are the total number of estimated encounters expected by VISN.

VISN 1	VISN 6	VISN 15	VISN 18	VISN 19
2,799	3,340	6,286	3,466	4,666

The source of the projected numbers are annual estimates based on the original contract for fiscal years 2012, 2013, and 2014 as this is a three year pilot.

Actual Numbers of the encounters submitted by VHA to Humana Veterans and Cary Medical Center, the two contractors, are below:



	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
VISN 1	6	53	81	68	92	84	63
VISN 6	0	4	13	25	19	19	34
VISN 15	0	4	3	4	4	8	7
VISN 18	0	54	48	30	49	79	81
VISN 19	3	58	69	68	106	105	105

The two primary care sites (Farmville (VISN 6) and Pratt (VISN 15) each had less encounters 114 and 30 respectively, while the three pilot sites offering specialty services (Northern Maine (VISN 1), Flagstaff (VISN 18), and Billings (VISN 19) had well over 300 encounters each with VISN 1 at 447, VISN 18 at 341 and VISN 19 at 514 for a grand total of 1,446 encounters. However, the pattern of increase in number of encounters by month since Project ARCH began enrolling patients differs somewhat across pilot sites. The number of encounters in Northern Maine gradually increased over time and dropped off in February, the number of encounters in Farmville, Flagstaff, and Billings also increased over time but with less regularity and the number of encounters in Pratt has remained fairly consistent with less than 10 per month at this primary care site.

VA has contracted for an independent evaluation of the Project ARCH program, including its development, implementation, and performance.

Question 12. The fiscal year 2013 budget request includes approximately $990 million for VA's acquired immune deficiency syndrome (AIDS) program. According to the budget justification, "[t]his program ensures that Veterans with Human Immunodeficiency Virus (HIV) infection receive the highest quality, comprehensive clinical care, including diagnosis of their infection, timely linkage to care, and reduction in HIV-related disparities."

a. Please provide the Committee with a detailed analysis of how this funding will be utilized in the treatment and prevention of HIV/AIDS.

Response. Please refer to the table below for a detail of the $990 million in estimated obligations for HIV/AIDS care at VA health care facilities.

Components of the HIV Care
Estimated for FY 2013

Diagnostic Condition/Service	Obligations
Prescription Drugs**	$464,010,000
Diagnostic Services**	$53,323,000
Treatment for:	
Mental Health	$105,778,000
Human Immunodeficiency	$70,420,000
Disease of Genitourinary System	$37,766,000
Circulatory System Disease	$34,491,000
Neoplasms	$26,896,000
Musculoskeletal and Connective Tissue	$21,421,000
Other Conditions	$19,163,000
Disease of Digestive System	$17,322,000
Other Factors Affecting Health Status	$16,667,000
Infectious and Parasitic Disease	$16,287,000
Respiratory System	$15,139,000
Other Signs and Symptoms	$15,091,000
Injuries and Poisonings	$12,872,000
HIV Counseling	$9,317,000
Ischemic Heart Disease	$9,165,000
Drug Monitoring	$7,775,000
Oral Disease	$7,744,000
Skin and Subcutaneous Tissue	$7,553,000
Eye Disorders	$7,343,000
Pneumonia	$5,785,000
Chest Pain	$4,367,000
Diabetes mellitus	$4,305,000
	$990,000,000

** Designates a Service
Conditions based on Primary Diagnosis

b. Please provide how much VA expects to spend in fiscal year 2013 on the national overhead for the VHA National HIV Program Office, including the staff titles, salary costs, and benefits.

Response. The table below provides the estimated obligations for salaries for the four HIV/AIDS positions in the Office of Public Health.

HIV, HCV and Public Health Pathogens Program
(VHA Office of Public Health, Clinical Public Health)

	Salary + Benefits
Director, HIV Hepatitis, and Public Health Pathogen Program	$273,936
Deputy Director, HIV Hepatitis, and Public Health Pathogen Program	$205,888
Senior Program Manager, HIV Hepatitis, and Public Health Pathogen Program	$130,546
Program Coordinator, HIV Hepatitis, and Public Health Pathogen Program	$88,788
Total	$699,158

Question 13. Within the fiscal year 2013 budget request, VA listed a "VA Real Property Cost Savings and Innovation Plan," reflecting savings of $66 million in fiscal year 2013 and $66 million in fiscal year 2014. The fiscal year 2013 budget request indicates VA has identified 494 vacant or underutilized buildings in VA's inventory for potential reuse or repurposing.

a. Besides those buildings that VA already identified to support veteran homelessness at last year's hearing and in this year's budget request, what other initiatives is VA considering for vacant and underutilized assets?

Response. VA has an aggressive disposal and reuse program that has resulted in reusing or disposing of more than 787 building assets since 2003, accounting for approximately 8.5 million square feet of space. A significant portion of this success was the result of assets repurposed, via VA's Enhanced-Use Lease (EUL) authority, which expired in December 2011 and was recently modified and enacted in Public Law 112–154. VA continues to constantly review its portfolio of vacant or underutilized assets for potential reuse opportunities and/or plans for disposing of the asset. With VA's modified EUL authority, VA may execute a process similar to the original Building Utilization Review and Repurposing (BURR) initiative that identified the initial set of properties for reuse. The initial BURR process was very successful, contributing more than 2 million square feet and approximately 208 buildings to the disposal and reuse numbers above.

The SCIP process supports reduction in vacant and underutilized assets. As part of SCIP, an annual space assessment is conducted. This analysis reviews what space each VAMC currently has in its inventory, plus whatever space would be added via projects that are currently funded and/or in-process, and comparing that to the projected space needs for the next 10-years. The result of this analysis is the amount of square footage that needs to be added to meet demand or the amount to be disposed or reused to right-size the facility. Using the results of this assessment, the SCIP process requires that all excess space have a planned disposal or reuse action to ensure facilities would be right-sized for the 10-year planning horizon. These two requirements (i.e., the space analysis and the planned disposal requirement), along with on-going monitoring of its capital portfolio, allows VA to proactively and consistently manage its portfolio of vacant or underutilized assets.

In addition, VA has annual disposal calls, where each building is reviewed to determine if it is vacant or underutilized. Every asset that is classified as vacant or underutilized is required to create a disposal or reuse plan for that asset, unless justification can be made as to why it should not be disposed of (i.e. strong historic significance, plans for renovation and future use).

Even with a strong disposal and reuse program, the VA is still faced with a number of challenges when dealing with its vacant and underutilized property. First, many of the current buildings that are no longer needed are historic or are in an unusable condition. Second, some vacant or underutilized buildings may have reuse potential, but due to the location of the asset on the medical center campus, it has limited value for other government agencies or third party groups.

Third, with the modified EUL authority, VA's options for eliminating vacant and underutilized assets have been limited to repurposing for supportive housing.

b. In 2008, the Government Accountability Office (GAO) issued a report entitled "Progress made in Reducing Un-needed property, but VA Needs better Information to Make Further Reductions (GAO–08–939)." GAO estimated that VA spent $175 million in fiscal year 2007 operating underutilized and vacant building space at its medical facilities, where 98% of such space exists. GAO developed the estimate because VA did not track such costs. GAO recommended, and VA agreed, that VA should develop an annual cost estimate of spending on underutilized and vacant property. Please describe what tracking mechanism VA has developed and implemented to track these properties and monitor the annual costs to maintain them.

Response. Based on the Government Accountability Office (GAO) recommendation, VA reviewed the most appropriate way to track cost associated with vacant and underutilized assets. The resulting methodology provides valid cost estimates for both vacant and underutilized assets.

One important distinction between a vacant building and one that is underutilized is that the underutilized building is still in use and supporting VA's mission. The underutilized designation implies that the given space is not being used as efficiently as it should, but nevertheless, is still being used to support the Department's mission. For this reason, costs to maintain a vacant building are significantly different than maintaining an operational, but underutilized building.

For vacant buildings, VA uses a $2/square foot metric as cost to maintain the building. This was derived in two ways. First, DOD provides a "sustainment" cost, per square foot, for maintaining various types of space. Included in that list is maintaining vacant space, with was estimated between $1–2/square foot. Second, VA re-

viewed actual costs incurred in support of a set of vacant buildings in its portfolio in various geographic locations. The result was between $1.50 and $2.50 per square foot of maintenance. Using these two factors, VA decided to use $2/square foot as the standard support cost for vacant buildings in its inventory. Based on 2011 numbers, VA estimated it spent approximately $9.5 M maintaining vacant buildings.

For underutilized buildings, the costs are driven by definitions provided by the Federal Real Property Council (FRPC) and OMB, for standard operational costs for a building. These costs include such things as normal recurring maintenance, grounds upkeep, janitorial services, and utilities in accordance with FRPC guidance. Each underutilized building is assigned an operational cost based on actual expenses at the local facility; therefore the estimate includes local cost considerations as well as including actual costs incurred. Based on 2011 numbers, VA estimated it spent approximately $24.7 million maintaining underutilized buildings. This is not surprising, as again these buildings are still in operation providing Veteran services.

In summary, VA estimates it spent $34.2 million in 2011 for maintaining vacant or underutilized buildings, a significant difference from the initial GAO provided estimate of $175 million. In addition, truly vacant buildings only account for $9.5 million in cost, the remaining is support for underutilized buildings that are still in operation supporting VA's mission.

Homeless Veterans

Question 1. The fiscal year 2013 budget request asks for an additional $43 million for Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) case management. A letter sent to the Committee on February 1, 2012, provided VA's homeless plan, which included an additional 400 case managers to support the HUD-VASH program for fiscal year 2013. Currently, VA funding supports 1,543 case manager positions for the HUD-VASH program.

a. What measures did VA use to determine the appropriate case management staffing needed for this program?

Response. In FY 2008 and FY 2009, facilities were funded for staffing at a ratio of 1 case manager per every 35 Veterans. In subsequent years, the funding formula was altered to provide staffing at a ratio of 1 case manager per 25 Veterans as additional emphasis was put on targeting the most chronically homeless Veterans who were in need of more intensive case management services and the adoption of Housing First principles. This determination was based on the best evidence-based practices being utilized by successful programs in the community.

b. What is VA's plan to transition HUD-VASH case managers into different roles once VA has reached the planned program expansion of 60,000 HUD-VASH vouchers?

Response. With the focus on admitting the most at-risk, chronically homeless Veterans into the HUD-VASH program, many of the Veterans housed through the program will continue to need intensive case management in order to stabilize and maintain their housing. It is also expected that there will be a turnover of 10–15 percent of vouchers each year, which means 6,000–7,500 new Veterans will be admitted, and in need of support to find housing and become more integrated into the community. VA does not yet have adequate long term experience with this program to know exactly how many case managers will be needed to support Veterans in HUD-VASH over time. However, if the need for supportive services does diminish drastically, some staff resources will be diverted to outreach to identify new Veterans who may be at risk for homelessness, and to focus additional efforts into prevention.

c. In addition, this plan includes benchmarks for reducing homelessness each year. One of the benchmarks for VA is to reduce the number of homeless veterans on any given night to 59,000 by June 2012. Is VA on target to meet this goal and how does VA plan to measure the success in meeting this goal?

Response. According to *The 2011 Point-in-Time Estimates of Homelessness: Supplement to the Annual Homeless Assessment Report*, 67,495 Veterans were homeless in the United States on a single night in January 2011. Homelessness among Veterans has declined by nearly 12 percent since the January 2010 Point-in-Time (PIT) count, which identified 76,329 homeless Veterans. VA is on track to reach the goal of reducing homelessness to 59,000 on any given night by the end of FY 2012. VA plans to use the *2012 Point-in-Time Estimates of Homelessness: Supplement to the Annual Homeless Assessment Report* (referenced 2012 report has not been published) as its measure of success in meeting this goal.

Question 2. The fiscal year 2013 budget request includes $1.352 billion for programs related to prevention and reduction of homeless veterans.

a. Does the fiscal year 2013 request and fiscal year 2014 advance funding request require legislative authority to release funding for these programs?

b. What metrics were used to determine how much funding is needed for each program? Please provide any metric templates currently developed.

Response. [These questions appear and were answered in the prehearing responses as Question 8.]

Question 3. In fiscal year 2011, Congress appropriated [$934 million] for homeless veterans programs.

Please provide a detailed breakdown of how this funding was utilized within these various programs, the number of veterans who accessed these programs, how each program was effective in reducing the number of homeless veterans, and what metrics are used to determine the effectiveness of these programs.

Response. [This question appears and was answered in the prehearing responses as Question 9.]

Question 4. The fiscal year 2013 budget request includes $21 million for 200 additional FTE to be Homeless Veterans Outreach Coordinators (HVOC) in the Veterans Benefits Administration. The purpose of the new HVOCs is to support VA's goal of ending veterans' homelessness. According to the fiscal year 2013 budget request, the additional resources in 2013 are intended to "accelerate services for an additional 43,000 Veterans and their families by decreasing the frequency and duration of their episodes of homelessness" and "[t]he resources will also assist veterans and their family members maintain safe and permanent housing, get connected to employment opportunities, and improve the overall healthcare status."

a. Please explain how the manner, means, and methods of utilizing these HVOCs would not duplicate, compete with, and overlay already existing veteran homelessness outreach programs, initiatives, FTE, and other resources that are on-going in the VHA, VISNs, and VAMCs.

b. Please identify where it is anticipated these 200 HVOCs will be located (i.e., existing VBA regional offices, leased space in the community, VAMCs, CBOCs, etc.). Are there additional costs to be incurred to find them offices from which to operate? If so, please explain and provide the amount needed.

c. Please provide the Committee with copies of any veteran homelessness needs assessment demonstrating the need for these specific outreach coordinators and that current VA resources in place are not adequate to address the needs.

Response. [Questions 4a–c were answered in the prehearing responses as Question 10.]

d. Please provide the Committee with VBA's hiring strategy to ensure the additional staff are hired in a timely manner to have the greatest impact on homeless veterans. Does VBA plan to hire new staff, shift current staff into these positions, or contract for these services?

Response. The 200 additional HVOCs will be incorporated into VBA's 2013 Resource Allocation Model (RAM) and allocated as unique FTE.

FTE allocations at regional offices will be based on several factors. Our 20 current HVOCs are overworked. Each of our regional offices that currently has an HVOC will receive a second HVOC to assist with workload and help sustain our efforts to date. The remaining 180 FTE will be placed in areas that have the highest concentration of at-risk and homeless Veterans throughout the country. VBA will also consider other factors such as Veteran population, population density, and workload.

Once the fiscal year 2013 RAM is finalized, VBA field offices will hire these additional FTE as HVOCs. VBA plans to either hire new employees for these positions or fill these positions internally, rather than contracting these positions.

Question 5. Following the fiscal year 2012 budget hearing, the Committee asked a question relating to VA research into the "health conditions and risk factors that relate to homelessness and on the effectiveness of VA homeless services." In VA's response, VA provided the Committee with information about current studies underway and stated that "[w]e anticipate preliminary data on most of them to be available by the end of [f]iscal [y]ear 2011, and final reports by the end of [f]iscal [y]ear 2012."

a. Please share any preliminary data VA may have from these studies.

b. How has the preliminary data been used to ensure VA is providing the needed services to reduce the number of homeless veterans?

c. Are the final reports still expected to be available at the end of fiscal year 2012?

Response. [These questions appear and were answered in the prehearing responses as Question 8.]

Question 6. The Secretary of Veterans Affairs recently announced that the number of homeless veterans dropped by 12 percent from 2010 to 2011, bringing the approximate number of homeless veterans in 2011 to 67,495. Both the President and the

Secretary attribute the improvement to over a billion dollars invested in homeless initiatives by the Federal Government. The fiscal year 2013 budget request indicates the goal of reducing the number of homeless veterans to 35,000 in 2013.

a. Please describe what manner, means, and methods, if any, are currently in place, or will be in place, to specifically identify the homeless veterans who have been removed from the homeless count in 2011.

b. If there are no tracking methods in place, coordinated and utilized across VHA and the VBA, are there any plans to develop such a tracking capability? Please describe what is being developed and the anticipated implementation timeline.

Response. [These questions appear and were answered in the prehearing responses as Question 30.]

Question 7. In fiscal year 2011, VA was appropriated almost $934 million for the program specific homeless programs.

a. At the end of fiscal year 2011, did VA utilize all funding appropriated for program specific homeless programs? If not, please provide the Committee with information regarding which programs had remaining money available at the end of fiscal year 2011.

Response. Yes, VA utilized all appropriated funding. The FY 2011 actual was $934 million, an investment of $135 million over the FY 2011 budget request ($799 million) in VA's high priority homeless Veterans programs.

b. How much funding was directed toward national overhead for the VHA Homeless Veteran Program Office, the Homeless Veteran Initiative Office, and the National Center on Homelessness Among Veterans? Please provide the Committee with how much each office spent on salary costs and benefits.

Response. VA's financial systems are not capable of generating a report of national overhead data (for example, indirect costs such as square footage). However, VHA's Homeless Program Office is able to provide the following information regarding salary and lease costs.

VHA's Homeless Programs manages two types of funding, President's Budget Specific Purpose (PB SP) and Specific Purpose (SP). The FY 2011 actual spending of $934 million for "program specific homeless programs" refers to the PB SP funding. VHA's Homeless Programs staff includes the National Center on Homelessness Among Veterans. Salaries for VHA Homeless Programs' full-time equivalent (FTE) positions are funded through a combination of PB SP and SP funding.

In FY 2011, VHA's Homeless Programs incurred $6 million in salary and benefits costs and $353 thousand in lease costs.

The Homeless Veteran Initiative Office (HVIO), managed at the Department level, received an FY 2011 budget of $2.7 million from VHA's Homeless Programs' PB SP funding. HVIO paid its operational costs, including salary and lease costs, from this funding.

Question 8. The fiscal year 2013 budget request includes approximately $3.5 million for the Getting to Zero initiative, which "provides funding for additional administrative support for [the] H[omeless] V[eteran] P[rogram] O[ffice]." Please provide additional information on how these funds will be utilized and the direct impact expected on reducing homelessness among veterans.

Response. Previously known as the Homeless Veteran Program Office, the Homeless Veteran Initiative Office (HVIO) is the Department's office that leads VA's initiative to Eliminate Veterans Homelessness. HVIO is responsible for policy development, reporting Agency Priority Goal performance, inter and intra-agency coordination, developing and maintaining strategic external partnerships and socializing VA's plan to end Veterans homelessness. HVIO serves as the Department's coordinating office with the US Interagency Council on Homelessness (USICH). A member of the office is the Designated Federal Official for the VA's Congressionally mandated Advisory Committee on Homeless Veterans. HVIO also coordinates plans and assists with execution of the Advisory meetings and reports. HVIO coordinates VA involvement in the planning and development in joint conferences and national initiatives with Federal departments that assist homeless Veterans including Labor, HUD, Department of Health and Human Services and the Department of Justice. HVIO has responsibility for executing the national homeless outreach efforts contract.

Approximately $2 million of the funding in the FY 2013 budget will be used for staff salaries and benefits; $400,000 leased space, supplies, copy machine lease, travel, training, equipment, Advisory Committee meetings and parcel post service for outreach materials; and approximately $900,000 will be used for ongoing outreach and communication support with external partners, stakeholders and Veterans to educate and inform them on specialized homeless programs.

Question 9. The fiscal year 2013 budget request includes approximately $196 million for Health Care for Homeless Veterans (HCHV). This money is allocated to two HCHV budget lines, one for Sustainment and another for Initiatives.

a. Please provide the Committee with a detailed analysis of how this funding will be utilized for HCHV Initiatives.

Response. The budget line item titled "Health Care for Homeless Veterans—Sustainment" is allocated to the ongoing support of pre-existing HCHV case management and outreach staffing. This pertains to positions previously developed through establishment of HCHV programs prior to the introduction of the Ending Veteran Homelessness initiative. The line item titled "Health Care for Homeless Veterans—Initiative" refers to program development, expansion, and staffing costs tied directly to this initiative.

For FY 2013, "Sustainment" is projected to require approximately $58.5 million in allocation. VHA projects the ongoing support of the "Initiative"-related costs at approximately $93.7 million. These funds will be expended to support:

- Expanded HCHV emergency, transitional housing, and low/demand/safe haven housing programs along with assigned case management staff;
- Community Resource and Referral Centers (CRRCs);
- Approximately 120 staff positions (rural outreach workers, psychiatrists, nurses, addictions therapists, peer support personnel, program support assistants, etc.) tied to prevention and outreach efforts developed through the Eliminate Veteran Homelessness initiative;
- Homeless Patient Aligned Care Team (HPACT) program sites and selected referral program projects;
- Medical facilities support for homeless program site renovations for fire and safety code requirements and expanded leased space to accommodate staffing additions generated through this initiative.

The remaining $43.3 million will be used to fund new prevention and employment initiatives in HCHV in FY 2013.

b. Please provide the Committee with the locations of the Community Resource and Referral Centers; a breakdown of how the Centers are staffed; and what services are available at each location.

Response. Community Resource and Referral Centers (CRRCs) are being developed under the Model Development core of the National Center on Homelessness Among Veterans. As such, these programs are being developed and evaluated as practice-informed models for possible wider dissemination. Sites are in various stages of development and most are not yet providing services, although several locations are offering CRRC-type linkage and referral assistance for Veterans while facilities are being prepared. VA is implementing CRRCs at the following locations:

VISN 3—New York Harbor HCS
VISN 4—Philadelphia VAMC
VISN 5—Washington DC VAMC
VISN 7—Atlanta VAMC
VISN 10—Louis Stokes Cleveland VAMC and Akron CBOC
VISN 11—John D. Dingell VAMC Detroit
VISN 12—Jesse Brown Chicago VAMC
VISN 16—Southeastern Louisiana VA HCS
VISN 18—Phoenix VA HCS
VISN 19—Eastern Colorado HCS
VISN 20—Portland VAMC
VISN 21—San Francisco VAMC
VISN 22—Southern Nevada HCS
VISN 23—Central Iowa HCS and Nebraska/Western Iowa HCS

CRRC models were funded with the following basic staffing: Social Workers, Peer Supports, Vocational Rehabilitation Specialist, Addiction Counselors, Registered Nurse, Physicians, and Administrative Assistant.

The following basic services are provided at all CRRCs: Intake, Case Management Services, Housing services, Vocational Employment services, Educational services, Primary Health services, Mental Health services, Substance Abuse Services, Economic Benefit services, and Communication services such as internet and mail. Legal services are provided in conjunction with community partners.

Some CRRCs also have HPACT Teams that provide primary care services. Those include:

VISN 4—Philadelphia VAMC
VISN 5—Washington DC VAMC
VISN 11—John Dingell Detroit VAMC

VISN 12—Jesse Brown Chicago VAMC
VISN 16—New Orleans South Louisiana HCS
VISN 18—Phoenix VA HCS
VISN 19—Denver Eastern Colorado HCS
VISN 20—Portland VAMC
VISN 21—San Francisco VAMC
VISN 22—Las Vegas Southern Nevada HCS

Women Veterans

Question 1. In fiscal year 2011, VA allocated $17 million for non-recurring maintenance for correcting patient privacy deficiencies. In the questions for the record following the fiscal year 2012 budget hearing, VA provided a list of women's projects from the fiscal year 2012 Strategic Capital Investment Planning process.

a. Please provide an updated list of construction projects relating to correcting patient privacy deficiencies.

b. For fiscal year 2013, how much is requested to correct patient privacy deficiencies? Also, please provide a list of facilities that will receive funding in fiscal year 2013.

Response. [These questions appear and were answered in the prehearing responses as Question 31.]

Question 2. In the last 10 years, the number of women veterans enrolling for VA services has nearly doubled. This trend is expected to continue in the coming years. The fiscal year 2013 budget request includes $403 million for gender specific health care. As noted in the *Independent Budget*, VA's own statistics show that "51 percent of women veterans who use the VA system divide their care by using both VA and non-VA providers."

a. For fiscal year 2013, how much funding does VA expect to spend on fee-basis care for women veterans? What performance measures does VA have in place to ensure women veterans are receiving quality care?

Response. Based upon FY 2008-FY 2011 Fee Basis expenditure disbursements for health care for women, expenditures have increased by an average of 20.8 percent since FY 2007. It is estimated that VHA will spend $302 million in FY 2013 on Fee Basis care for women. Currently there are existing performance measures ensuring quality care for all Veterans, including access to care and timeliness of care. In addition, the Non-VA Care Coordination (NVCC) program has a patient satisfaction query component in which Fee Basis utilization review nurses collect patient information about the patient's satisfaction in reference to a non-VA care experience. The information collected from this component promotes a key measure in ensuring quality care directly from the Veteran. The NVCC program implementation will improve upon the quality care experience as it also contains specifications in the selection of providers promoting verification that they are appropriately certified.

b. In fiscal year 2011, VA's actual budget for gender specific health care was $287.5 million; please provide the Committee with a detailed breakdown of how this money was utilized.

Response. See itemized list below.

FY 2011 Women's Gender Specific Health Care

[dollars in thousands]

Diagnosis Category	Obligations
Benign Neoplams	$5,867
Breast/Skin Neoplasm	16,960
Complications of Pregnancy	32,724
Genitourinary Neoplasm	6,278
Osteopathies	2,380
Breast Disorders	11,474
Other Disease of Genitourinary	39,611
Other Factors Affecting Health Status	20,295
Other	7,095
Pregnancy and Delivery	6,395
Diagnosis Category Subtotal	$149,079

Program Description	Obligations
Women's Clinic	$88,034
Gynecology	32,149
Women's Surgery	408
Women's Stress Disorder Treatment Teams	2,274
Mammogram	10,142
Female Gender Specific Cancer Screening	5,389
Program Subtotal	138,396
Total Gender Specific Care	$287,475

Vet Centers

Question 1. In the fiscal year 2013 budget request, VA proposes spending $222 million for readjustment counseling services at Vet Centers. Some Vet Centers offer evening and weekend hours; however, this might not be widely known by veterans.

a. How many Vet Centers offer evening and weekend hours and how much of the funding will be utilized to provide evening and weekend hours to veterans?

Response. Vet Center policy states that upon request from Veterans, Vet Centers will maintain non-traditional appointment schedules, after normal business hours during the week and on weekends, to accommodate working Veterans and family members. Currently, over 280 of the 300 Vet Centers have established non-traditional hours each week to provide both individual and group counseling services. The remaining locations offer non-traditional hours as needed. Most of these locations are new and are still establishing a client base.

There is no specific funding for providing evening and weekend hours to Veterans and their families. Vet Center staff adjust their tours of duty as needed to take into account for providing services during non-traditional hours.

b. What mechanisms and outreach efforts are in place to ensure veterans know that local Vet Centers provide evening and weekend hours?

Response. Vet Center non-traditional hours are regularly highlighted during Vet Center outreach presentations at the various Federal, State, and locally organized events in which the Vet Center staff participate. It is also discussed as a part of scheduling for Veterans who seek services at a Vet Center. Vet Center media (Web site, print media, press releases) is continuously monitored for opportunities to further communicate this benefit.

COMPENSATION AND PENSIONS

Question 1. In 2010, VA began operating the Fast Track Claims Processing System to process claims for three conditions presumed to be related to Agent Orange exposure. The fiscal year 2013 budget request reflects that "analysis and planning regarding system retirement will be conducted in [fiscal year] 2012."

a. To date, how much in total has been spent (from any account) on developing, enhancing, and operating the Fast Track Claims Processing System, including funds for contractor support?

b. Is any funding (from any account) requested in the fiscal year 2013 budget in order to operate, expand, or retire the Fast Track Claims Processing System?

c. Since its inception, how many claims have been filed by claimants on-line using this system?

d. How many claims have been processed through the Fast Track system and how long on average did it take to complete those claims?

e. How many Fast Track claims are currently pending and how long on average have they been pending?

f. What, if any, changes have been made in the manner, means, or method of implementing the Fast Track Claims Processing System, either in the field or within the headquarters of the VBA, since it began in 2010?

Response. [These questions appear and were answered in the prehearing responses as Question 5.]

Question 2. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA is "noncompliant with the Debt Collection Improvement Act of 1996" because VA does not charge interest or administrative costs on delinquent debts owed to VA. VA has previously explained to the Committee that, "in 1992, the Deputy Secretary of Veterans Affairs made a decision not to implement the statutory interest and administrative charges on Compensation and Pension debts." VA has also

indicated that "[t]he majority of debts created for compensation are due to beneficiary death, incarceration and fugitive felons."

a. What is the legal authority relied upon by VA to forego collecting interest and administrative costs with respect to delinquent debts?

b. What is the total amount of debt to VA created in fiscal year 2011 as a result of VA beneficiaries being incarcerated or having fugitive felon status?

c. What is the total amount of debt to VA expected to be created in fiscal year 2012 and in fiscal year 2013 as a result of incarceration of beneficiaries or beneficiaries deemed to be fugitive felons?

d. If VA assessed interest and administrative costs, in accordance with the Debt Collection Improvement Act of 1996, on any of those debts that are or are projected to be delinquent, what would be the total amount of those assessed charges in fiscal year 2012 and fiscal year 2013?

Response. [These questions appear and were answered in the prehearing responses as Question 14.]

Question 3. With respect to VA's fiscal year 2012 budget request, VA was asked whether the budget request included "funding for benefits that are projected to be overpaid and not recouped." In response, VA indicated in part that, "[a]lthough there is no specific line item for overpayments in the budget request for the Compensation and Pension account, these payments are accounted for in the baseline budget estimates and are not identified as funds that VA does not expect to recoup." VA also indicated that for fiscal year 2012 the Readjustment Benefits account included "a net increase of $7.2 million in obligations associated with overpayments."

a. For fiscal year 2012, what is the total amount of benefits now projected to be overpaid?

b. For fiscal year 2013, what amount is included in the Readjustment Benefits account for overpayments of benefits?

c. For fiscal year 2013, what amount is included in the Compensation and Pension account (including any amounts in the budget baseline) for overpayments?

Response. [These questions appear and were answered in the prehearing responses as Question 15.]

Question 4. VA's Fiscal Year 2011 Performance and Accountability Report contains the following information:

One cause of overpayments in both the Compensation and Pension programs has been the implementation of the Fugitive Felon program. This program * * * prohibits Veterans or their dependents who are fugitive felons from receiving specified Veterans' benefits. The law requires VA to retroactively terminate awards to Veterans and other beneficiaries from the date the beneficiary became a "fugitive felon." As of January 2011, nearly 23,000 fugitive felon cases have been referred to field stations resulting in a total of nearly $165 million accumulated overpayments which cover multiple warrant years. The Committees on Waivers and Compromises had waived nearly $22 million in overpayments.

a. To date, how many current or former fugitive felons have had their overpayments to VA waived?

b. To date, what is the total dollar amount of overpayments to fugitive felons that have been waived?

c. For fiscal year 2013, what amount is included in the budget request in order to waive recoupment of overpayments to fugitive felons?

Response. [These questions appear and were answered in the prehearing responses as Question 16.]

Question 5. Under current law, VA is required to reduce, but not terminate, the compensation payments to certain beneficiaries who have been incarcerated for more than 60 days.

a. What was the total amount of VA benefits paid to incarcerated beneficiaries during fiscal year 2011?

b. What is the total amount of VA benefits expected to be paid to incarcerated beneficiaries during fiscal year 2012?

c. What is the total amount included in the fiscal year 2013 budget for VA benefits expected to be paid to incarcerated beneficiaries?

Response. [These questions appear and were answered in the prehearing responses as Question 17.]

Question 6. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA paid $45 in interest penalties per million dollars disbursed during 2011.

a. In total, how much did VA pay in interest penalties during fiscal year 2011?

b. In total, how much does VA expect to pay in interest penalties during fiscal year 2012?

c. In total, how much is included in the fiscal year 2013 budget request in order to pay for interest penalties?

Response. [These questions appear and were answered in the prehearing responses as Question 18.]

Question 7. The summary of compensation and pensions appropriations in the fiscal year 2013 budget request reflects that several Omnibus Budget Reconciliation Act (OBRA) payments are expected to be made to VBA, VHA, and OIT during fiscal year 2012. According to the budget request, "[a]fter 2012, VHA will no longer be reimbursed by the Compensation and Pension account for the administrative costs associated with income verification matching."

a. Please provide a breakdown of how those OBRA payments are expected to be spent during fiscal year 2012.

Response. The total current estimate for FY 2012 for OBRA obligations are $26.3 million from the Compensation and Pension mandatory budget. Of this total, an estimated $8.1 million is VBA obligations for OBRA, $11.3 million is for VHA OBRA and $6.9 million is OBRA obligations for IT. VBA OBRA obligations consist of approximately $7.6 million in payroll to support 90 FTE and approximately $0.5 million in non-pay obligations such as rent, printing, and supplies.

b. Please provide a breakdown of how OBRA payments for VBA and OIT are expected to be spent during fiscal year 2013.

Response. The total estimated obligations for FY 2013 for OBRA are $9.2 million from the Compensation and Pension mandatory budget. Of this total, an estimated $9.1 million is VBA obligations for OBRA and remaining $145 thousand is obligations associated with IT OBRA. VBA OBRA and IT OBRA reimbursements are used to pay administrative costs and IT-related costs associated with income verification data matches. VBA OBRA obligations consist of approximately $8.4 million in payroll to support 101 FTE and approximately $0.7 million in non-pay obligations such as rent, printing, and supplies.

VETERANS BENEFITS ADMINISTRATION

Disability Compensation, Pensions, and Burial

Question 1. VA has a number of initiatives underway to reach its goal of a 98% accuracy rate.

a. For each of these initiatives, please describe the impact it is expected to have on the accuracy rate.

Response. VBA is pursuing a major organizational transformation grounded in VA's Agency Priority Goals (APGs), specifically:

- Eliminate Veterans disability claims backlog (no claim pending more than 125 days and 98 percent quality by the end of 2015)
- Increase access to services and benefits
- End Veteran homelessness by 2015

VBA's Transformation Plan is based on more than 40 initiatives in the areas of People, Processes and Technology, selected from ideas submitted from employees and stakeholders. Transformation is not a "once and done," flip-of-the-switch proposition—it is a dynamic process of intaking, researching, testing and launching new ideas and initiatives. Under the Transformation Governance Process, VBA initiatives progress through a series of decisions as they mature from proposals to pilots to nationally deployed initiatives.

Initiatives are being implemented through a deliberate process and rolled out to regional offices (ROs) in a multi-year, phased approach that will ensure success and minimize risk. Key initiatives that are currently in pilot or implementation phases are described below, many of which impact both productivity and accuracy.

VBA's Transformation Plan will be coordinated through the Implementation Center—a program management office (PMO) with dedicated resources to oversee the implementation of the Transformation Plan using a governance process to achieve standardization and sustainability. Additionally, the Implementation Center will develop performance measures that will track the impact of the Transformation Plan.

The successful execution of the plan is expected to result in a 45 to 60-percent increase in productivity and a 14-point increase in quality in 2015 from FY 2011.

People Initiatives (How VBA is changing workforce organization and training)

- *Intake Processing Center (IPC)* enables quick, accurate claims triage (getting the right claim in the right lane the first time). This initiative was rolled out to the Wichita, Ft. Harrison, and Milwaukee ROs on March 26, 2012. National deployment is expected by the end of fiscal year 2013. The IPC has the potential to save 40 days combined with Segmented Lanes and Cross-functional Teams, discussed below.

• *Segmented Lanes* will improve the speed, accuracy and consistency of claims decisions by organizing claims processing work into distinct categories, or lanes (Express, Core, and Special Operations), based on the amount of time required to process the claim. This initiative was rolled out to the Wichita, Ft. Harrison, and Milwaukee ROs on March 26, 2012. National deployment is expected by the end of fiscal year 2013. Segmented Lanes have the potential to save 40 days combined with IPC and Cross-functional Teams

• *Cross-functional Teams* initiative consists of teams of cross-trained raters co-located to reduce rework time, increase staffing flexibility, and better balance workload by facilitating a case-management approach to completing claims. This initiative was rolled out to the Wichita, Ft. Harrison, and Milwaukee ROs on March 26, 2012. National deployment is expected by the end of fiscal year 2013. Cross-functional Teams have the potential to save 40 days combined with IPC and Segmented Lanes

• *National Level Challenge Training* provides training to employees on claims processing through a standardized curriculum. The 8-week program enables new raters to process 1.3 disability claims per day at 98-percent accuracy (actual)—up from an average of 0.5 cases per day and 60-percent accuracy.

• *Skills Certification* improves performance and accelerates productivity of claims processors.

Process Initiatives (How VBA is making improvements that result in quality and timeliness gains)

• *Simplified Notification Letters (SNL)* standardize and streamline the Veteran's decision notification. SNL reduce complexity and time by 10–20 percent in testing. This initiative was fully implemented nationally on March 12, 2012. Overall productivity is a key metric used in determining this initiative's effectiveness.

• *Quality Review Teams (QRT)* will improve claims quality through assessments throughout claims processing. It has the potential to improve quality 4 points; improve quality insight from four-month lag to one week. QRT was fully implemented nationwide on March 5, 2012.

• *Disability Benefits Questionnaires (DBQs)* change the way medical evidence is collected, giving Veterans the option of having their private physicians complete a form that provides the medical information necessary to process their claims. This initiative was nationally implemented on March 19, 2012. DBQs have the potential to reduce exam processing times and improve quality.

• *Rater Decision Support Tools* establish consistent rater performance, and include three rules-based calculators (Special Monthly Compensation, hearing loss, and joints). The rules-based calculators have the potential to improve quality by six percentage points from 2011 to 2015.

• *Paperless Compensation and Pension Records Interchange (CAPRI)* was nationally implemented in November 2011. This initiative eliminates the requirement to print and file CAPRI records at substantial cost and time savings. Paperless CAPRI has saved printing of 13 million pages of medical records and 220,000 hours of printing and filing time since implementation.

• *Acceptable Clinical Evidence (ACE)* allows VHA medical personnel to use existing medical evidence and complete a DBQ in lieu of an in-person exam. This reduces the burden on the Veteran and caregiver to travel to VA medical centers to complete exams and reduces the time waiting for evidence in claims cycle. In the ACE pilot conducted by St. Paul Regional Office and Minneapolis VA Medical Center, 39 percent of exam requests were completed using ACE, with average processing time of six days. The current national average exam processing time is 27 days. National implementation is being planned for every regional office with a VA medical center located in the same metropolitan area. National tracking metrics are currently being developed jointly between VBA and VHA.

Technology Initiatives (building systems that transition VBA to a paperless, automated, rules-based, multichannel access environment)

• *Veterans Benefits Management System (VBMS)* standardizes disability compensation claims processing through Web-based paperless system. As of March 16, VBMS has completed over half (56 percent or 563) of its 1,000 established claims. The average days to complete a claim in VBMS is 135 days. National rollout is expected to begin in July 2012.

• *Veterans Relationship Management (VRM)* initiative improves telephone service and online Web access, including electronic claims submission as it goes online in summer 2012. Total contacts (including phone, email, and online eBenefits sessions) have increased 5.4 million (59 percent), from 9.1 million to 14.5 million from FY 2009 to FY 2011. The VRM initiative includes:

– *Virtual Hold-ASAP* system automatically calls the Veteran back versus making them hold. We have achieved 92-percent reconnect success rate and caller satisfaction was up 15 percent. Virtual Hold was implemented on September 26, 2011.

– *Scheduled Call Back* allows the Veteran to pick a date and time for VA to call them back. There is a 77-percent reconnect success rate and 18-percent acceptance rate. Scheduled Call Back was fully implemented on December 6, 2011.

– *Customer Relationship Management/Unified Desktop (CRM/UD)* combines 13 systems into one database. CRM/UD improves call center representatives' ability to efficiently find accurate information for the Veteran. CRM/UD is scheduled to be implemented by the end of fiscal year 2012.

– *Veteran Online Application Direct Connect (VDC)* provides standardized e-forms to facilitate electronic interviews. VDC reduces control time from 11 to 0 days. The standardized e-forms have the potential to save 32 cents to 37 cents per page.

• *eBenefits* is VA and DOD's online self-service portal that enables Veterans and Servicemembers access to benefits and services. User enrollment has increased 75 percent.

• *Stakeholder Enterprise Portal (SEP) for VSOs and Physicians* facilitates stakeholder roles in the claims process in a secure environment with identity access tools. SEP has the potential to reduce control time from 11 days to 0 days.

Question 2. Over the past three years, VA took in over 430 thousand more claims than were decided, the inventory of pending claims rose to over 810,000 by the end of fiscal year 2011, and 60% of those claims are considered by VA to be backlogged.

a. In total, how many claims will VA need to decide each year to reach the goal of eliminating the backlog by 2015?

Response. In order for VBA to eliminate the disability claims backlog in 2015, VBA estimates that we need to complete 1 million claims in FY 2012 and 1.4 million claims in FY 2013. We are currently working on projections for FY 2014.

b. What precautions will VA take to make sure there is a focus on training and improving quality, while VA tries to reach that level of productivity?

Response. VBA's Transformation Plan will improve and standardize processes to eliminate the claims backlog, achieve efficiencies, improve quality, and reallocate capacity. We will relentlessly streamline our processes and eliminate repetition and rework, while keeping our focus on delivering optimal client service. Through these improved processes, VBA will achieve productivity gains of 15 to 20 percent and quality enhancements of four percent. VBA's Transformation initiatives such as Quality Review Teams (QRTs), Simplified Notification Letter (SNL), and Challenge training, are currently underway and will help VA achieve accurate benefits and service delivery and our goal of 98-percent quality. VBA has established QRTs at each regional office to bridge the gap between local and national quality metrics and foster consistency. The SNL standardizes and streamlines the decision-notification process and helps integrate essential information into one simplified notification, while reducing complexity and time. The national-level Challenge training provides a standardized curriculum to new claims processors to help ensure high quality and productivity.

c. Does the fiscal year 2013 budget request include any funding for more near-term measures that could help veterans, family members, and survivors whose claims are already pending?

Response. VBA's FY 2013 budget request includes FTE projections of 14,520 for direct claims processing and support for 1.4 million claims, and $72.1 million dedicated to transformation initiatives. Initiatives are being implemented through a deliberate process and rolled out to regional offices in a multi-year, phased approach that will ensure success and minimize risk. Throughout FY 2013, VBA will continue to roll out the Veterans Benefits Management System, cross-functional teams, specialized lanes, and integrated processing centers.

Question 3. VA's "appeals resolution time" has increased by over 100 days since 2008 and, for those appeals that result in a decision by the Board, it took on average 1,123 days to go through the appeal process in 2011.

a. Please explain the root cause for delays at each step of the appeals process, what actions VA is taking to reduce delays at each step of the appeals process, and when we can expect to see improvements as a result of those actions.

Response. The appeals resolution time (ART) is a joint measure between the Veterans Benefits Administration (VBA) and the Board of Veterans' Appeals (BVA). It represents the average length of time it takes the Department to process an appeal, from the date a claimant files a notice of disagreement (NOD) until the case is fi-

nally resolved, whether the appeal is resolved at the VBA regional office (RO) or at BVA. Note that ART measures the time to a final resolution, such as an allowance, a denial, or a withdrawal of an appeal. This measure does not include remands, since a remanded appeal is not yet resolved. Remand time is included in the ART once the matter on remand reaches final resolution. The average ART includes many appeals that resolve at the RO level and never come to BVA for decision.

A contributing factor to VBA delays in the appeals process in recent years is due in large part to the readjudication of previously denied claims for the new Agent Orange presumptive conditions (Parkinson's disease, ischemic heart disease, and b-cell leukemias) required under U.S. Court of Appeals, Ninth Circuit decision, *Nehmer* v. *the Department of Veterans Affairs* (VA). VBA claims inventory increased more than the appeals inventory for the period. In the beginning of FY 2010, VBA's thirteen resource centers began preparing to review and readjudicate nearly 100,000 claims resulting from the *Nehmer* litigation. Over the course of FY 2011 and FY 2012, VBA has adjudicated nearly 248,000 Agent Orange claims for the new presumptive conditions and provided over $3.3 billion in retroactive benefits to over 121,000 Vietnam Veterans and their survivors. The reallocation of resources necessitated by this dramatic workload increase resulted in a significant loss in claims processing capacity and left fewer resources to process the regular rating workload, including appeals. This included 1,100 Veterans Service Representatives (VSRs) and almost 1,200 Rating VSRs (RVSRs) working Agent Orange claims in FY 2011. Because of this, the current VBA appeals workload is not a true indication of either past or future workload performance.

To improve efficiencies, VBA has created an Appeals Design Team tasked with developing, testing, and evaluating improvements in the appeals process. The Design Team's recommendations are aimed at improving timeliness in each segment of the appeals process and making it more Veteran-centric, trust-earning, and consistent. Several of these recommendations were implemented as part of a pilot at the Houston RO on March 1, 2012. The recommendations are designed to reduce the appeals processing time at the RO level. It is anticipated that the remainder of FY 2012 and most of FY 2013 will be dedicated to the testing and national rollout of these recommendations before the overall impact can be seen on processing timeliness.

One common root cause for an initial delay in the appeals process is identifying a legitimate and intended NOD. As such, the Design Team created a standardized NOD form to assist in identification and control of the appeal, and encourage the Veteran to specify the claimed condition and evaluation being sought, allowing VBA to narrow the scope of the appeal review. The new form also prompts early Decision Review Officer (DRO) involvement in the appeal. DROs are contacting the appealing party early in the appeals process to clarify any questions or outstanding issues associated with the appeal. Historically, if the claimant does not specify the condition and evaluation sought, an appeal is continued as to all issues.

A waiver of RO jurisdiction form was created that would address the longest area of delay at the RO level, which is attributed to the continual submission of new evidence and VBA's duty to address and decide on each new submission. This waiver grants VBA the ability to certify the appeal to BVA along with any new evidence, once all development at the RO level is complete. On May 19, 2011, VA transmitted the "Veterans Benefit Programs Improvement Act of 2011" to Congress. Section 204 of this bill would automatically waive the right to initial consideration of certain evidence by the agency of original jurisdiction. The House has passed a similar provision as part of H.R. 1484, and the Senate Veterans' Affairs Committee has reported out S. 914, section 404 of which also has this language. The potential benefits that would result from enactment of the proposal include expedited adjudication of claims on appeal and a reduction in the time spent processing appeals, both at the agency of original jurisdiction and BVA, allowing more time for deciding new claims. VA is hopeful the Committees will be successful in advancing this provision to enactment by the close of the 112th Congress.

VBA is piloting the elimination of the traditional election process and doing de novo reviews on all appeals. Elimination of the election process allows VBA to save a minimum of 60 days due to the fact that VBA would no longer send the election letter (which allows 60 days for a response from the claimant).

Once VBA has certified the appeal and transferred the file to BVA, the average length of time from the date that BVA received an appeal to the issuance of a Board decision during FY 2011 was 240 days. This 240-day time period includes the time that the file was with a Veterans Service Organization representative with offices co-located at BVA, for preparation of written argument. In FY 2011, BVA's average

cycle time (i.e., the time from when an appeal is physically received at BVA until a decision is reached, excluding the VSO time referenced above) was 119 days.

BVA is responsible for conducting hearings and issuing detailed appellate decisions concerning complex legal matters. In FY 2011, BVA issued approximately 90 decisions per FTE, which includes Veterans Law Judges (VLJ), attorneys, and administrative support staff, for a total of 48,588 decisions. In FY 2012, BVA projects issuing 47,600 decisions based on the current level of FTE supported. To meet the challenge of the growing appeals backlog with the resources available to it, BVA has implemented efficiencies in two key areas, i.e., hearings and remands. VA has also submitted several legislative proposals to improve the appeals process.

Approximately 25% of appellants before BVA request a hearing before a VLJ. Current statutory authority gives appellants the right to an in-person hearing before a Board VLJ, or they may waive that right and elect a hearing by Video teleconferencing (VTC) technology. In FY 2011, 66% of appellants who requested an optional Board hearing requested an in-person hearing at their local RO, as opposed to a VTC hearing. An average of 75 percent of scheduled in-person hearings in FY 2011 took place, meaning that 25 percent of those Veterans scheduled for hearings did not appear for the hearing. Moreover, data confirms that over the past five years, the national average show rate for field hearings is 73 percent. This leaves the VLJ who traveled to the field station with substantial blocks of time without scheduled activity, and thus, a loss of productive time to decide appeals.

For FY 2012, BVA decreased the number of available field hearings by 25% in favor of increasing VTC hearings, which take place between the VLJ in Washington, DC and the Veteran at his or her local RO. The results, both in monetary and time savings for VA, are already being realized. VLJs are gaining time in the office, with an anticipated increase in decisional output (ranging from 2% to 5%) over the next few years. Additionally, VA will save an estimated $307,400 in travel funds in FY 2012, ultimately reaching a savings of $864,354 through 2015.

Regarding remands, in FY 2011, BVA remanded 44% of appeals before BVA (21,464) to the AOJ, generally VBA. Approximately 75% of all remands return to BVA, creating a significant amount of delay for the Veteran and rework for VA. VLJs determined that 40% of FY 2011's remands (8,585) were avoidable, i.e., a remand could have been avoided if the RO properly processed and reviewed the case in accordance with existing laws and regulations.

To reduce these avoidable remands, BVA has analyzed the data from its Remand Reasons Database (collecting reasons for remands since 2004) and determined that the top reason for remand is inadequate medical examinations and opinions. BVA has partnered with the Veterans Health Administration (VHA) to develop training tools and provide direct training to VA clinicians to improve VA compensation and pension examinations. Additionally, BVA and VBA have agreed to a mandatory joint training program to aid in standardizing adjudication across the system, driven by the most common reasons for remand. BVA has established an interactive training relationship with VBA's key organizations involved in the appellate process, i.e., the Systemic Technical Accuracy Review (STAR) staff, DROs, and the Appeals Management Center staff. The combination of these efforts should reduce the number of avoidable remands in the system.

VA has submitted legislative proposals to Congress that would streamline the appellate process. Specifically, VA has proposed a provision that would allow BVA to determine the most expeditious type of hearing for those appellants who request a hearing before a VLJ. The proposal includes a "good cause" exception for those appellants who do not desire a video conference hearing. VA has also proposed an automatic waiver provision, establishing a presumption that an appellant, or his or her representative, has waived RO consideration of any evidence he or she files after filing the Substantive Appeal to the Board. This would eliminate readjudication of the appeal by the RO in some cases, in favor of the Board directly addressing the evidence. Additionally, VA has proposed reducing the time period to file a Notice of Disagreement (NOD) from 365 days to 180 days, to ensure timely processing of appeals and less rework due to stale evidence.

b. Please identify what level of funding is requested in total for fiscal year 2013 for purposes of processing appeals, including steps that occur at VBA.

Response. For FY 2013, VBA requested approximately $21 million for the Appeals Management Center to support 249 FTE. VBA requested approximately $93 million for the 951 claims processors, supervisors, and support staff dedicated to processing appeals at VBA field offices.

The President's total budget request for BVA for FY 2013 is $78 million, expressly for the purpose of issuing timely and quality decisions in appeals.

Question 4. In the fiscal year 2013 budget proposal, the request for disability compensation, pensions, and burial includes $416 million for Other Services, which is $71.7 million higher than the amount expected to be spent on Other Services during fiscal year 2012. Please provide a detailed itemized list of how the $416 million would be utilized during fiscal year 2013. To the extent any of the funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. Funding of $416 million is requested for Compensation, Pensions, and Burial other services in FY 2013. These funds allow for an increased amount of contract medical examinations (some of which are reimbursed from the Compensation and Pensions benefits account, authorized by Public Law 104–275) and the continuation and implementation of VBA's transformation, to include support for the Veterans Benefits Management System, the Veterans Relationship Management initiative, and VA Innovation Initiatives.

See the table that follows:

Compensation & Pensions (C&P) Service
2013 President's Budget
Other Services Funding Request

Medical Examinations	$269.5M
Veterans Benefits Management System	31.9M
Transformation Plan	15.7M
VA Innovation Initiative	15.0M
Educational development, training, and testing	13.2M
Implementation Center	4.2M
Work Earnings Loss Study	2.6M
C&P Operations	1.1M
Fiduciary Asset Verification Contract	1.0M
Advisory Committees	0.6M
Management Support*	61.2M
Total Other Services Funding Request	$416.0M

*Half of this amount is C&P Service's portion of must-fund contracts to internal and external customers, e.g., the Department of Homeland Security, the Department of the Treasury, the National Archives and Records Administration, and several VA customers (Debt Management Center, Financial Services Center, etc.). The remaining funds consist of C&P Service's portion of the Veterans Relationship Management initiative; VBA infrastructure investments, such as the co-location or relocation of facilities and associated equipment contract costs; and equipment operating, maintenance, and repair services contracts.

Question 5. According to the fiscal year 2013 budget request, VA has "established dedicated teams of quality review specialists at each regional office."

a. Nation-wide, how many FTEs are currently assigned to these quality review teams?

Response. 600 FTE are assigned.

b. If the fiscal year 2013 budget request is adopted, how many individuals Nationwide would be assigned to these teams?

Response. VA's budget requests no change to the current number of quality review specialists.

Question 6. On page 4B–10 of volume 3 of the fiscal year 2013 budget request, a chart indicates that VA received 854,000 claims in fiscal year 2008 and 872,000 claims in fiscal year 2009. A similar chart in the fiscal year 2012 budget request indicates that VA received 888,000 claims in fiscal year 2008 and over 1 million claims in fiscal year 2009. Please reconcile those figures.

Response. There was an error in the chart on page 4B–10 of volume 3 of the 2013 budget. Disability rating claims receipts for 2008 through 2011 were as follows:

FY	Claims Received
2008	888,112
2009	1,013,712
2010	1,192,346
2011	1,311,091

Question 7. In response to questions about VA's fiscal year 2012 budget request, VA provided this prediction: "Investments in information technology will begin to

pay dividends as deployment of the Veterans Benefits Management System (VBMS) begins in 2012, allowing for increased productivity and reduced operating costs in processing disability compensation claims."

a. Please quantify the increased productivity and reduced costs expected during 2012, in terms such as individual productivity of claims processing staff, cost per case, or overall operating costs.

Response. VBMS initially rolled out to Providence in November 2010, Salt Lake City in May 2011, and Wichita and Fort Harrison in March 2012. VA will be able to better examine increases in productivity and reduction in costs once additional software releases are deployed in November 2012 and May 2013.

b. Please quantify any increased productivity and reduced costs expected during 2013, in terms such as individual productivity of claims processing staff, cost per case, or overall operating costs.

Response. VBMS initially rolled out to Providence in November 2010, Salt Lake City in May 2011, and Wichita and Fort Harrison in March 2012. VA will be able to better examine increases in productivity and reduction in costs once additional software releases are deployed in November 2012 and May 2013.

Question 8. According to the fiscal year 2013 budget request, VA will begin to expand VMBS to more sites during fiscal year 2012 and expects it to be fully rolled out to all sites by the end of 2013.

a. When VA begins rolling out VBMS to new sites, is it expected that those sites will experience short-term declines in productivity as employees are trained on the new technology? If so, please quantify the expected decline and how long it is expected to last at each site.

Response. Yes, it is expected sites will experience short-term declines in productivity as employees are trained on VBMS. VBMS is being deployed as part of a complete people, process, and technology transformation at two regional offices in March 2012. VA will be able to obtain data on the short-term declines in productivity and the expected duration after the two regional offices complete their transformation.

b. Once VBMS is in place at a regional office, how will the office be expected to deal with paper-based claims that are already pending at that office?

Response. VBMS is taking a "point forward approach" to transitioning offices to fully functional paperless centers. All paper claims currently pending will continue to be processed in paper. Once VBMS is launched at an office, all new claims received will be processed in VBMS as paperless claims. However, end users will use VBMS to make decisions on both paper and paperless claims.

c. During fiscal year 2012, what percentage of claims does VA expect to be handled using VBMS?

Response. By the end of FY 2012, VBMS could potentially handle 15% of new incoming, rating-based claims.

d. During fiscal year 2013, what percentage of claims does VA expect to be handled using VBMS?

Response. Once additional functionality is added in November 2012, VA will be better positioned to determine potential capacity for FY 2013.

Question 9. In connection with VA's fiscal year 2012 budget request, VA was asked to explain VA's plan to bring down the backlog of disability claims by 2015. In part, VA responded that, "[i]n late 2012, VA estimates production will begin to outpace receipts" and that "productivity * * * will rise from 89 annual claims per [compensation and pension] direct labor FTE in 2012 to 129 in 2015."

a. Please quantify how that increase would be achieved, including what percent increase in individual productivity VA expects from VBMS and from other initiatives that are underway.

Response. VBA's Transformation Plan cuts across three major areas (People, Process, and Technology) to drive consistency, standardization, and improvement in delivery of benefits to Veterans, Servicemembers, their families, and survivors. VBA expects a 15-to-20 percent increase in production from technology initiatives to include the Veterans Benefits Management System (VBMS), and Veterans Relationship Management (VRM). We expect a 15-to-20 percent increase in production from people initiatives such as, cross-functional teams, intake processing center, segmented lanes, and challenge training. Finally, we expect productivity to increase by 15 to 20 percent for process initiatives, which include Simplified Notification Letter (SNL), Quality Review Teams (QRTs), and Disability Evaluation Questionnaires (DBQs).

b. Currently, how many claims are projected to be completed during fiscal year 2012 per compensation and pension direct labor FTE (including in that FTE total

any contractors who perform claims processing functions, such as gathering evidence, or are supplementing the work of direct labor FTE)?

Response. In FY 2012, VBA expects to complete 1,175,000 disability compensation and pension claims. Measured against the total 14,320 direct labor FTE in the 2012 budget for all work activities related to the compensation and pension programs, the projected output equates to 82 disability claims per FTE. However, it is important to recognize that these FTE are devoted to many claims and work activities in addition to processing rating-related disability compensation claims. Although disability claims (both original claims and claims for increase) are the primary subset of claims by which we measure production and output, there are other major work efforts that are critical to the overall delivery of compensation and pension benefits, including appeals, survivors' benefits, pension income adjustments and matching programs, dependency and other account maintenance activities for beneficiaries already receiving benefits, burial benefits, outreach, IDES support, transition assistance programs, National Call Centers, personal interviews with Veterans and other beneficiaries, and fiduciary and guardianship activities.

c. How many claims are projected to be completed during fiscal year 2013 per compensation and pension direct labor FTE (including in that FTE total any contractors who perform claims processing functions, such as gathering evidence, or are supplementing the work of direct labor FTE)?

Response. In FY 2013, VBA expects to complete 1,400,000 disability compensation and pension claims using 14,520 FTE, or 96 disability claims per FTE. Please also see additional explanation above.

Question 10. According to information provided in connection with the fiscal year 2012 budget request, VBA expended $32 million in fiscal year 2010 to pay for claims processing staff to work overtime and VBA's budgets for fiscal years 2011 and 2012 also included $32 million to pay for claims processing staff to work overtime. VA also indicated that "[r]egional offices are allotted overtime funds based on local workload and support of national programs."

a. What metrics are used to gauge whether overtime work by claims processing staff is effective?

Response. All claims worked during overtime hours are included in VBA's overall workload metrics, and therefore this completed work is held to the same standard as VBA's traditional production and timeliness standards (average days pending, average days to complete, number of completed claims, etc.). One gross measure of the effectiveness of overtime worked can be seen in VBA's national production. In FY 2012, VBA saw a 22-percent production increase during the first month in which mandatory overtime was implemented, as compared to the average monthly production to date in FY 2012. However, it is important to note that not all of the work accomplished on overtime directly translates into completed cases. Additional actions completed on overtime, such as supplemental development for evidence, are required steps in the claims process, but do not allow for immediate completion of the claim. Separating these actions from those that directly result in completed claims is difficult, as the impact of this work in terms of a completed claim is not seen until a later date.

b. During fiscal year 2011, how much in total was actually expended to pay for overtime work by claims processing staff and what outcomes were achieved as a result of those overtime hours?

Response. During FY 2011, $48.1 million was expended for overtime work for compensation and pension claims processing. In FY 2011, VBA implemented 20 hours of mandatory overtime per month for Rating Veterans Service Representatives. Overtime was a key factor in VBA's 24-percent surge in output during May through September FY 2011, as compared to the average monthly production prior to implementing mandatory overtime in FY 2011, and exceeding its FY 2011 production target by five percent. Prior to implementing mandatory overtime, VBA averaged production of 78,000 claims per month. During the months of mandatory overtime, VBA averaged 96,500 claims per month. There are other factors that contributed to the productivity increase, including increases in employee experience and proficiency, fewer *Nehmer* claims to be worked, and the normal end-of-year production surge; however, the implementation of mandatory overtime was undoubtedly a major contributing factor to this production increase.

c. During fiscal year 2012, how much is now expected to be spent on overtime by claims processing staff and what outcomes are expected to be achieved as a result of those overtime hours?

Response. In FY 2012, VBA plans to expend an estimated $35.3 million in overtime for compensation and pension claims processing. VBA implemented mandatory overtime on February 15, 2012, to focus on the oldest claims in the inventory. Over-

time usage will include initial development and promulgation of claims. VBA will closely monitor the impact of transformation and fluctuations in workload in order to focus overtime efforts where they are most needed. In the first month of mandatory overtime, VBA completed 95,700 claims, a 22-percent increase in production compared to the average of the previous months this fiscal year. Similarly, VBA completed just under 97,000 claims per month during the mandatory overtime period in FY 2011. With the continuation of overtime in FY 2012, we expect to see at least a similar level of production. We will also begin to see increased production as we roll out transformation initiatives.

d. For fiscal year 2013, what level of funding is requested to pay for overtime hours worked by claims processing staff and what outcomes are expected to be achieved as a result of those overtime hours?

Response. The FY 2013 budget request includes $46.9 million for overtime in the compensation and pension programs. Overtime will continue to be a key factor in meeting the annual production goal of 1.4 million claims in FY 2013. VBA expects greater efficiencies as we fully implement VBA's transformation plan, and consequently a greater impact seen by the overtime worked.

e. For fiscal years 2011 and 2012, please identify the 10 regional offices that were or will be allocated the most funding for overtime hours.

Response. Resource allocations are primarily based on each station's workload and special mission requirements, which consequently influence the staffing and funding levels authorized, including overtime funding. The FY 2011 allocations were heavily directed toward *Nehmer* processing and the regional offices with Day One Brokering Centers assigned to work *Nehmer* cases. FY 2011: Philadelphia, Seattle, St. Petersburg, Waco, St. Paul, Winston Salem, Houston, San Diego, Columbia, and Milwaukee expended the greatest amount of overtime funds. FY 2012 through March 24, 2012: Muskogee, St. Louis, Philadelphia, Seattle, St. Petersburg, Waco, Atlanta, St. Paul, Winston Salem, and Houston have been allocated the most overtime funding.

f. For fiscal year 2013, please identify the 10 regional offices expected to receive the largest allocations of funding to pay for overtime hours.

Response. Several factors will continue to dictate the allocation of overtime funding in FY 2013. Offices responsible for special missions (e.g., Benefits Delivery at Discharge, Quick Start, Pension Management Centers, Resource Centers, Fiduciary Hubs, etc.) generally have a larger workforce and greater need for overtime funding. While VBA does not foresee major changes in the methodology for overtime distribution in FY 2013, it is anticipated that overtime funds will be used to help offset any production impact as transformation initiatives are deployed and regional offices receive training and adapt to the new technologies and process changes.

Question 11. According to VA's Fiscal Year 2011 Performance and Accountability Report, one of VA's goals for 2012 is to "introduce new benefit application forms for the [fully-developed claims] program * * * to streamline the process and improve timeliness of processing claims in the program." Also, in VA's testimony before the Committee on the fiscal year 2013 budget request, the Secretary indicated that "VA plans an aggressive communications strategy surrounding the release of [additional Disability Benefits Questionnaires] that will promote the [fully-developed claims] program."

a. How many fully-developed claims have been filed each year since the fully-developed claims program was initiated?

Response.

Fiscal Year (FY)	FY2010 Program Start (June 15, 2010)	FY2011	FY2012 (projected)	FY2013 (projected)
FDC Receipts	2,883	19,241	29,412*	48,529**

*This projection is based on Fully Developed Claims (FDC) receipts fiscal year to date 2012 (2,451 FDC average receipts per month multiplied by twelve). Data is as of end of month February 2012.

**This projection is based on the annual rate of increase (65%) in FDC receipts from Fiscal Year 2011 (19,241) to the projected Fiscal Year 2012 receipts.

b. How many fully-developed claims are expected to be filed during fiscal year 2012 and during fiscal year 2013?

Response. See Table One above.

c. On average, how many days did it take to complete fully-developed claims during fiscal year 2011?

Response.

Fiscal Year (FY)	FY2010	FY2011	FY to Date 2012*	Program Start (June 15, 2010) to Date
Number of Fully Developed Claims (FDCs) Completed	723	13,950	8,564	23,237
Average Days to Complete	34.2	84.7	104.2	90.3

*Data as of end of month February 2012.

Please note that an FDC receipt does not always equal an FDC complete. Claims are removed from the FDC program for various reasons after they are initially flagged as FDCs. Examples of FDC program removal reasons include receipt of evidence from the claimant that requires further development on the claim, claimant failure to report for a VA examination, etc. VA is working to better inform claimants on these issues.

d. To date in fiscal year 2012, how many days on average is it taking to complete fully-developed claims?

Response. See Table Two above. The increase in ADC since 2010 is primarily due to program expansion. Our goal is to process FDCs in 90 days. To combat the growing ADC for FDCs, VA will issue new FDC guidance and benefit application forms that will streamline the FDC process. VA will also release VONAPP Direct 2.0 that will electronically accept FDCs. These enhancements will assist VA in achieving its goal of processing FDCs within 90 days.

e. Please quantify what impact it is expected to have on the average number of days it takes to complete fully-developed claims once the new forms are rolled out.

Response. In FY 2012, VA will introduce new FDC program guidance and benefit application forms that will together clarify and streamline FDC processing. These enhancements will support VA in achieving its goal of processing FDCs within 90 days.

f. For fiscal year 2013, how long is it projected to take to complete fully-developed claims?

Response. For fiscal year 2013, it is projected that fully-developed claims will take an average of 90 days to complete.

g. For fiscal year 2013, what level of funding is requested for purposes of promoting the fully-developed claims program?

Response. As FDC is a transformation initiative, funding for it is included in VBA's overall transformation budget of $18 million. VBA is considering promoting the program by implementing an FDC training course for Veterans Service Officers (VSOs); and disseminating FDC program information, benefit applications, and marketing materials, such as an FDC program trifold brochure, to VSOs, Veterans, and other potential claimants.

Question 12. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA's failure to meet national accuracy rate goals for compensation entitlement claims is in part due to "attrition of experienced personnel, especially in positions where extensive training is required."

a. Please identify the claims processing positions with the highest attrition rates during fiscal year 2011 and the overall level of attrition for claims processing staff during fiscal year 2011.

Response. Please see table below.

0996 Series Occupations	Average Onboard Employee FY 2011	Total Losses FY 2011	Total Loss Rate FY 2011
02 Decision Review Officer	307.8	18	6%
05 Veterans Service Representative	6718.1	446	7%
04 Veterans Service Representative (Rating)	3116.6	176	6%
Total	10142.5	640	6%

b. For fiscal year 2011, please identify the specific regional offices with highest attrition rates for claims processing personnel.

Response. Please see table below.

Station	Onboard Employee Avg	Total Losses	Total Loss Rate
(373) RO Manchester, NH	25.5	5	20%
(438) HCS Sioux Falls, SD	36.8	5	14%
(459) HCS Honolulu, HI	46.7	6	13%
(339) RO Denver, CO	159.8	20	13%

Station	Onboard Employee Avg	Total Losses	Total Loss Rate
(354) RO Reno, NV	58.9	7	12%
(351) RO Muskogee, OK	244.3	28	11%
(313) RO Baltimore, MD	114.3	13	11%
(405) MROC Wht River Jct, VT	17.8	2	11%
(397) AMC Washington, DC	123.9	13	10%
(402) HCS Togus, ME	134.8	14	10%
(329) RO Detroit, MI	125.5	13	10%
(333) RO Des Moines, IA	77.8	8	10%

c. What are the expected attrition rates for claims processing positions during fiscal year 2012 and fiscal year 2013?

Response. Please see table below.

Service	FY 2012	FY 2013
0996 Positions in Compensation & Pension Services	6%	6%

These rates are based on the actual attrition trends for FY 2009–FY 2011.

Question 13. According to the fiscal year 2013 budget request, additional discretionary funding for the compensation, pension, and burials programs is requested for fiscal year 2013 "to support increased contract medical examinations." Also, according to the summary of compensation and pension mandatory funding, VA expects to spend $236 million on contract medical examinations in fiscal year 2012 and $248 million on contract medical examinations in fiscal year 2013.

a. In total, how many compensation and pension examinations are expected to be provided during fiscal years 2012 and 2013 and how much in total is expected to be spent (from any account) on those examinations?

Response. VBA expects to provide approximately 260,000 contract examinations during fiscal year 2012, and approximately 265,000 during fiscal year 2013.

The projected cost of the exams for fiscal year 2012 is approximately $271 million and approximately $288 million for fiscal year 2013. The total projected cost is $559 million.

b. Please identify all funding sources used to provide compensation and pension examinations and provide a breakdown of how many examinations will be provided using each funding source.

Response. The funding used to complete these examinations is provided in accordance with Public Law 104–275.

Mandatory Funding

FY	Projected # of Exams	Total
FY 2012	208,000	$216,800,000
FY 2013	212,000	$230,400,000

Public Law 108–183 provides VBA the authority to use discretionary funding to obtain contract medical disability examinations. The chart below provides the projected number of examinations completed using this funding source.

Discretionary Funding

FY	Projected # of Exams	Total
FY 2012	52,000	$54,200,000
FY 2013	53,000	$57,600,000

Question 14. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA has "awarded five Disability Examination Management Contracts" in order to provide disability examinations in the United States, Asia, Europe, and Latin America.

a. How much does VA expect to spend on these contracts during fiscal year 2012 and how much is VA requesting to spend on these contracts in fiscal year 2013?

Response. The Disability Examination Management (DEM) Contract is an Indefinite Delivery/Indefinite Quantity (IDIQ) contract managed by the Office of Disability and Medical Assessment (DMA). It includes five vendors who provide disability examination services within the United States and two vendors who provide disability examination services overseas. Within the U.S., for VA medical centers (VAMC) using the DEM contract, all resourcing is through their current budgets and on an as needed basis. Currently, several VAMCs are using the contract and others are prepared to use it when contingencies and surges in demand dictate the need. The Foreign Medical program has budgeted $4.1 million in FY 2012 and $4.3 million in FY 2013 in support of increased claims and need for overseas examinations.

b. How many examinations per year are expected to be provided through these contracts and what is the average expected cost per examination?

Response. The average cost of examinations varies across vendors and/or regions but ranges from a low of $175 to a high of $595. Each of the five vendors has a guarantee of a minimum of $100,000 for the life of the contract, including the 4 option years. The rates overseas are based on U.S. pricing. For FY 2012, $4.1 million has been budgeted to pay for disability examinations for 2,900 claims for 1,350 Veterans residing overseas.

c. Please identify the locations within Asia, Europe, and Latin America where these examinations are expected to be provided.

Response. Examination locations overseas include: Naha, Okinawa (Japan); Tokyo, Japan; Frankfurt, Germany; San Jose, Costa Rica; and Mexico City, Mexico. Additionally, a modification to expand examination services in Korea has been sent to the Contracting Officer and Vendors for approval.

d. Please explain any performance standards that will be required for the examination providers, such as timeliness of examinations, quality of examination reports, or driving-distance for Veterans.

Response. Under the contract performance standards, each contractor shall schedule examinations as close to the Veteran's or Servicemember's home of record as feasible but generally no further than 50 miles for non-specialist examinations and 100 miles for specialist examinations. The timeliness standard for examinations in country are 26 days for general compensation and pension disability examination requests, 35 days for Department of Defense examinations, and 45 days for overseas (the time is measured from the receipt of the examination request). The quality of all overseas examination reports are reviewed by VHA clinical staff on receipt from the contractors for sufficiency, then forwarded to VBA for adjudication action. To date, VBA has not returned any contract examinations back to DMA as insufficient.

Question 15. For beneficiaries living abroad, VA has contracted with local medical providers to conduct compensation and pension examinations through the Foreign Medical Program. In 2011, VA announced that it had started a new program (the overseas disability examination program) to have VA personnel travel abroad to provide disability examinations to claimants who are living outside of the United States. In part, VA noted that, in June 2011, VA staff had traveled to Japan for three weeks in order to provide examinations for 39 veterans.

a. During fiscal year 2011, how much in total was expended with respect to the overseas disability examination program, how many trips did that funding support, how many VA personnel traveled for that purpose, how many veterans were served, how many examinations were provided, and what was the average quality of the examinations?

Response. In June 2011 and September 2011, a total of five VHA compensation and pension staff conducted 513 compensation and pension disability examinations on 85 Veterans residing in Naha, Okinawa (Japan), during two separate visits. The cost to the government for the five VHA personnel was $27,517, including travel and lodging. The duration of the two visits was 2–3 weeks for each visit. Navy personnel housed VHA staff at the government rate at Camp Lester, allowing for a further savings to the Government. Further, having experienced VHA compensation and pension clinicians perform examinations as opposed to local national contract examiners allowed VA to see a substantial savings since costs for exams overseas range from $2,000-$5,000 per exam. All examination findings were reviewed by Office of Disability and Medical Assessment (DMA) staff for quality and VBA staff for sufficiency for rating purposes and none were returned as inadequate or insufficient.

b. For fiscal year 2011, how much in total was expended to provide disability examinations through the Foreign Medical Program (FMP), how many examinations were provided, how long on average did it take to complete examinations through this program, and what was the average quality of the examinations provided?

Response. In FY 2011, $3.4 million was paid on 2,700 claims for 1,344 Veterans. The quality of the examinations varies by geographic regions and the timeliness ranges from 3 months to 12 months based on the location of the examinations conducted.

c. During fiscal years 2012 and 2013, how much in total is expected to be expended with respect to the overseas disability examination program, how many trips would that funding support, how many VA personnel would travel for that purpose, how many veterans would be served, how many examinations would be provided, and what is the expected average quality of the examinations?

Response. The initial overseas trips to Naha, Okinawa (Japan) proved successful and cost effective in providing disability examinations to Veterans residing overseas. However, DMA began piloting a new overseas program in February 2012 that provides contracted disability examinations to Veterans residing overseas in contractually specified areas identified with the highest concentrations of Veterans. These examinations are scheduled with, and performed by, trained contracted disability examiners. Upon successful evaluation of performance in Japan, the next contracted examinations will be scheduled in Germany. The vendors supplying services overseas are the same ones providing these examinations within the United States; thus, they meet all VA training requirements. DMA expects their examination quality to meet VA standards set forth in the contract. However, as an added measure, all overseas contracted VHA examinations are reviewed by VA trained disability examiners and only released to the requesting Regional Office after full review. These examinations are also part of the overall quality audit performed by VHA. VHA and VBA are working to develop fiscal year 2013 budgets based on the ability to provide overseas contracted examinations through the established rates of the contract.

d. For fiscal years 2012 and 2013, how much in total is expected to be expended to provide disability examinations through the Foreign Medical Program, how many examinations are expected to be provided, how long is it expected to take on average to complete examinations through this program, and what is the expected average quality of the examinations provided?

Response. For FY 2012, $4.1 million has been budgeted for exams in support of 2,900 claims and 1,350 unique Veterans. In FY 2013, $4.3 million has been budgeted for exams to support 3,000 claims for 1,350 Veterans. Although, VBA has not conducted specific quality reviews of foreign cases, the Pittsburgh Regional Office, which has responsibility for processing overseas claims, reports that the quality varies by geographic region and the timeliness ranges from 3 months to 12 months based on the location of the examination conducted.

e. On average, how many claims are filed each year by beneficiaries living in foreign countries?

Response. Foreign claims are processed at three regional offices. White River Junction processes claims for Veterans residing in Canada. The Houston Regional Office processes claims for Veterans residing in South America, Central America, Mexico, and the Caribbean. Pittsburgh processes claims for Veterans residing in foreign countries other than the ones previously listed. During FY 2011, a total of 2,192 foreign claims were filed, and as of March 31, 2012, a total of 918 foreign claims were filed for FY 2012. Since FY 2011, data indicates that on average 153 foreign claims are filed per month.

f. For Veterans living in the United States, how long on average does it take to receive a VA-provided compensation and pension examination?

Response. As of April 2012, the average time to receive a completed VA compensation and pension examination provided by VHA was 25.8 days for a Veteran residing in the United States. The average time to receive a completed compensation and pension examination provided by a VBA contractor was 29.7 days for a Veteran residing in the United States.

Question 16. In response to questions about the fiscal year 2012 budget request, VA indicated that it was requesting $16.4 million in order to contract with private entities to retrieve medical records from private medical providers. VA also indicated that, "[i]n order to gauge the effectiveness of the current contract, VA is evaluating the timeliness of the seven regional offices using the contractor's services as compared to the timeliness of regional offices requesting medical records directly from private physicians."

a. In total, how much has been or will be spent on that initiative during fiscal year 2012?

Response. The program is currently operating under a contract awarded with FY 2011 funds. The total value of this contract is $2,272,033 and runs until September 2012. FY 2012 monies will be used to award an option period to the contract valued at $593,436.

b. To date, what is the average time it takes to obtain private medical records at the regional offices using the contractors and what is the average time it takes to obtain private medical records at other regional offices?

Response. Since September 2011, the average time it takes the contractor to obtain medical records or receive a response necessary to close out the claims development action (i.e., no records exists or records destroyed) is 13.25 days.

It takes other VA regional offices 40+ days to receive private medical records.

c. How many claimants' medical records have been obtained or are expected to be obtained by the contractors during fiscal year 2012?

Response. Between September 2011 and March 2012, we have received 11,440 private medical records and were able to close out an additional 4,025 requests with responses from the physician, which include but are not limited to reasons such as, "the records were destroyed." Based on forecasted claims submissions against our current success rate, we anticipate receiving 19,515 private medical records and closing out an additional 7,110 requests during FY 2012.

d. How much (if any) is requested with respect to this initiative for fiscal year 2013 and how many contractors would that level of funding support?

Response. The FY 2013 budget request is based on initiating national deployment of the program. The cost estimate for year one during ramp up is $10 million. The budget is based on a price-per-record retrieval estimate and not on a contract full time employee (FTE) resource number.

Question 17. In response to questions about VA's fiscal year 2012 budget request, VA indicated that "VBA's 2012 General Operating Expense budget request includes * * * $72.7 million and 66 FTE for program management and oversight of transformation initiatives."

a. Please provide an itemized list of how those funds have been or will be expended during fiscal year 2012.

Response. Please see the chart below.

VBA Initiative	FTE	FY 2012 Budget Request (m)
Transformation Plan Initiatives	10	$29.9
Veterans Relationship Management (VRM)	16	$7.7
Veterans Benefits Management System (VBMS)	40	$35.1
Total	66	$72.7

b. How much is requested for these purposes for fiscal year 2013?

Response. VBA's 2013 General Operating Expense budget request includes $62.5 million and 79 FTE for coordination and tracking of transformation initiatives, to include the Veterans Benefits Management System and Veterans Relationship Management.

Question 18. In response to questions about VA's fiscal year 2012 budget request, VA indicated that, for purposes of revising VA's disability rating schedule, VA "plans to spend $750,000 for a work earnings loss study, $387,000 for a medical consultation contract, and payroll resources of approximately $1.1 million" during fiscal year 2011, and the fiscal year 2012 budget included "$1 million for a work earnings loss study, $391 thousand for a medical consultation contract, and payroll resources of approximately $1.1 million."

a. How much in total was actually expended during fiscal year 2011 to update the disability rating schedule? Please provide an itemized list of how that funding was expended.

Response. Please see the chart below.

Purpose	FY 2011 Expenditures
Scottsdale forum costs	$197,136
Work earnings loss study	524,806
Medical consultation contract	205,311
Payroll resources	1,086,401
Travel	35,312
Total	$2,048,966

b. During fiscal year 2012, how much in total does VA currently plan to expend to revise the rating schedule? Please provide an itemized list of how that funding has been or will be expended.

Response. Please see the chart below.

Purpose	Projected FY 2012 Expenditures
Oct. 2011 NYC forum costs	$108,310
Jan. 2012 NYC forum costs	82,242
Work earnings loss study	1,201,793
Medical consultation contract	201,358
Payroll resources	1,663,219
Travel	120,000
Total	$3,376,922

c. What level of funding is requested for fiscal year 2013 for purposes of updating the rating schedule and how are those funds expected to be spent?

Response. Please see the chart below.

Purpose	Projected FY 2013 Expenditures
Forum costs	N/A
Work earnings loss study	$2,445,000
Medical consultation contract	N/A
Payroll resources	2,094,845
Travel	90,000
Total	$4,629,845

Question 19. In response to questions about VA's fiscal year 2012 budget request, VA indicated that there were 15 full-time employees at the Louisville regional office dedicated to processing claims based on exposure to contaminated water at Camp Lejeune.

a. Currently, how many employees at the Louisville regional office are dedicated to handling these claims?

Response. There continues to be 15 full-time employees dedicated to processing Camp Lejeune-related claims.

b. If the fiscal year 2013 budget request is approved, how many employees would be dedicated to handling these claims at the Louisville regional office?

Response. VBA's FY 2013 budget does not include any additional full-time employees exclusively dedicated to processing Camp Lejeune-related claims at the Louisville Regional Office. However, in order to continue meeting timeliness expectations, the regional office Director will continue to monitor this unique workload and reassign claims processors as needed.

Question 20. As one strategy to deal with VA's backlog of disability claims, VA has brokered claims between VA offices. In response to questions about the fiscal year 2012 budget request, VA indicated that there was a "sharp decline in brokering" because VA was using its resource centers to handle certain claims based on Agent Orange exposure. VA also provided this information: "Measurements do not currently exist to determine the cost effectiveness of workload brokering. VBA is currently engaged in refining existing data systems and workload tracking mechanisms to allow appropriate data collection to support cost-effectiveness analyses."

a. In total, during fiscal year 2011, how many claims were brokered by VA?

Response. In total VA brokered 40,747 claims. This was a decrease from 105,337 in fiscal year 2010.

b. During fiscal year 2012, how many claims does VA expect to broker?

Response. Through the end of March 2012, VBA has brokered 19,348 claims. Beginning March 1, 2012, VBA began utilizing its 13 resource centers for specialized brokering missions. These resource centers had worked exclusively *Nehmer* workload in FY 2011. Resource centers will be focused on Benefits Delivery at Discharge, Quick Start, appeals, and the oldest workload from designated stations. This increase in brokering is expected to be around 65,000 claims for the second half of 2012, or about 85,000 claims total for the year.

c. What is the status of efforts to determine the cost-effectiveness of brokering?

Response. VBA has not completed an analysis on the cost-effectiveness of brokered work due to the limited and unique nature of *Nehmer* brokering that occurred in FY 2011 and first part of FY 2012, and other shifts in the brokering strategy. The level of complexity associated with the work being brokered is a significant shift from the previous brokering strategy and therefore would significantly complicate any cost-benefit analysis. As VBA moves toward a paperless claims process through VBMS, the overall volume and costs associated with brokering will continue to decrease. While brokering claims and associated claims files in paper form will remain prominent during FY 2012 and 2013, we anticipate the ability to accomplish more paperless brokering going forward. As our brokering and business process model changes, we will closely monitor and analyze data and costs to assess the effectiveness of our process and technology improvements.

Question 21. VA and DOD have rolled out worldwide an Integrated Disability Evaluation System (IDES), through which an injured or ill servicemember, before being medically discharged from the military, completes both the DOD disability rating system and the VA disability rating process.

a. During fiscal year 2011, how much in total did VA expend with respect to IDES (including both mandatory and discretionary funds) and how many VA employees were dedicated to the IDES process?

Response. During fiscal year 2011, VA spent approximately $21.7 million for salaries and general operating expenses for 239 VBA FTE dedicated to disability claims processing in the IDES process. Veterans filing claims through the IDES sites are captured in the nationwide Veteran caseload count and total compensation benefit obligations. The total mandatory dollars expended as a result of the IDES process is not uniquely identified or forecasted.

b. During fiscal year 2012, how much in total does VA expect to expend with respect to IDES (including both mandatory and discretionary funds) and how many VA employees will be dedicated to the IDES process?

Response. During fiscal year 2012, VA estimates it will spend approximately $38.6 million for salaries and general operating expenses to support 380 VBA FTE dedicated to disability claims processing in the IDES process. Increased staffing in 2012 includes senior-level claims processing and supervisory personnel, which increases payroll costs. Veterans filing claims through the IDES sites are captured in the nationwide Veteran caseload count and total compensation benefit obligations. The total mandatory dollars expended as a result of the IDES process is not uniquely identified or forecasted.

c. For fiscal year 2013, how much in total is VA requesting with respect to IDES (including both mandatory and discretionary funds) and how many VA employees would that level of funding support?

Response. During fiscal year 2013, VA estimates it will spend approximately $39.1 million for salaries and general operating expenses to support 380 VBA FTE dedicated to disability claims processing in the IDES process. Veterans filing claims through the IDES sites are captured in the nationwide Veteran caseload count and total compensation benefit obligations. The total mandatory dollars expended as a result of the IDES process is not uniquely identified or forecasted.

d. Please identify any IDES sites that currently do not have sufficient VA personnel to meet all relevant staffing goals.

Response. As of May 1, 2012, there are not any IDES sites that have insufficient VA personnel to meet all relevant staffing goals. When VA and DOD agreed to expand IDES worldwide, VA planned for and staffed each site at its full operational capability at the stand-up of each IDES expansion location. With troop withdrawal from Afghanistan anticipated to produce an increase in the IDES population, currently VA, upon notification, is able to send out "surge teams" to handle those areas that are identified for an increase in returning Servicemembers.

Question 22. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA planned to "implement the Remodeled Integrated Disability Evaluation System program at three military treatment facilities" during the first quarter of 2012.

a. What is the current status of that initiative?

Response. The Remodeled IDES (rIDES) initiative was put on hold to reassess the process and apply lessons learned for future improvement of IDES.

b. If this initiative has been canceled or postponed, please explain what factors led to that decision.

Response. The following factors led to the rIDES project being deferred:

- rIDES was recommended to be reassessed and lessons learned applied to IDES.

• The rIDES timeline would decrease the overall IDES timeliness goal from 295 days to 180 days.

• The Department of Defense (DOD) was anticipating a large troop withdrawal from Afghanistan and therefore IDES numbers were expected to increase.

• Days to complete the DOD Physical Evaluation Board (PEB) phase of the current IDES process was increasing due to a mandate requiring Servicemembers to discuss their case with an advisor.

c. Please describe any on-going efforts to improve the timeliness of the IDES process.

Response. In order to improve the timeliness of the IDES process, VA plans to increase resources for the IDES preliminary disability ratings process, identify best practices to implement system-wide, and continue electronic data sharing between the Disability Rating Activity Sites and the Military Physical Evaluation Board.

Pension and Fiduciary Service

Question 1. According to VA's fiscal year 2013 budget request, VA's fiduciary program is supervising over 122,000 incompetent beneficiaries.

a. For fiscal year 2013, what level of funding is requested to support the fiduciary program and what total level of staffing would that funding support? Please provide a list of the positions that would be filled with that funding.

Response. Funding for the fiduciary program is included in the compensation and pension programs. In 2013, approximately $76 million will support 693 fiduciary program FTE. Fiduciary employees at VA Central Office and the fiduciary hubs include the following positions: Assistant Director, Chiefs, Program Analysts, Fiduciary Hub Managers, Assistant Fiduciary Hub Managers, Supervisory positions/Coaches, Management Analysts, Training Managers, Field Examiners, Legal Instrument Examiners, and Clerical positions.

b. What were the key performance outcomes for the fiduciary program during fiscal year 2011 and what are the expected performance outcomes for fiscal years 2012 and 2013?

Response. Key performance indicators and outcomes for FY 2011 for the fiduciary program are listed in the following table along with targets for FY 2012 and FY 2013.

Measure	FY 2011		FY 2012	FY 2013
	Target	Actual	Target	Target
Accuracy	90%	88%	92%	94%
Follow-up appointments pending <= 120 days	90%	62%	90%	90%
Follow-up appointments processed <= 120 days	92%	83%	92%	92%
Initial appointments pending <= 45 days	90%	64%	90%	90%
Initial appointments processed <= 45 days	92%	78%	92%	92%
% accountings reviewed within 14 days	94%	93%	94%	94%
% accountings not seriously delinquent	95%	96%	95%	95%

c. What portion of those incompetent beneficiaries also have a representative payee assigned for purposes of Social Security benefits?

Response. Although Pension and Fiduciary Service works closely with the Social Security Administration's (SSA) representative payee program, VA does not have data concerning the number of VA beneficiaries who are unable to manage their financial affairs and also have a representative payee for SSA benefit purposes.

Question 2. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA plans to accomplish the following during 2012: Increase staffing for the Pension and Fiduciary Service, complete revisions to the fiduciary manual, deploy a new Fiduciary Program System, and finish consolidating fiduciary functions into six hubs.

a. Please provide an updated timeline for when these actions are expected to be completed.

Response.

Increased Staffing

VA established the Pension and Fiduciary (P&F) Service in April 2011, and it was fully staffed with 42 full-time employees as of January 2012.

Revisions to the Fiduciary Manual

We are currently drafting a notice of proposed rulemaking that would revise VA's fiduciary regulations in 38 C.F.R. part 13. VA expects to publish the proposed rule

for notice and comment as early as August or September of this year. In the interim, P&F Service will implement program improvements that do not require rulemaking using VBA's "fast letter" process, under which the agency provides mandatory policy guidance to its field personnel. Revision of the fiduciary portion of the Adjudication Procedures Manual will begin as soon as the proposed rule is published for notice and comment.

New Fiduciary Program System

P&F Service is working with VA's Office of Enterprise Development (OED) to replace the current electronic workload management system, Fiduciary-Beneficiary System (FBS). The new system will include rules-based functionality, communicate with other VA systems, and facilitate the processing of accountings and field examination reports. OED has outlined the following three phases for creating the new system:

1. Clean-up the data contained in FBS so that it is compatible with VBA's corporate database, which contains all beneficiary records.
2. Migrate FBS data to the corporate database and modify FBS to allow users to view information in the corporate database.
3. Build a new user-friendly, rules-based, front-end system, which will provide all of the functionality required to properly administer the fiduciary program.

Completion of the first phase is expected in the Fall of 2012. At that time, we will be able to provide a better estimate for complete replacement of FBS.

Fiduciary Hubs

On March 26, 2012, consolidation of VA's fiduciary work and staffing into six hubs was completed.

b. What level of funding will be available for each of these initiatives during fiscal year 2012 and what level of funding, if any, is requested for each initiative for fiscal year 2013?

Response. P&F Service will not require additional funding for the proposed rulemaking effort currently underway.

Development of FBS will begin in FY 2012 with an initial investment of $950,000. Funding for the remainder of the project will be determined in 2013 along with other priorities.

The level of fiduciary funding requested for FY 2013 will include elements unique to hub consolidation activities. $375,000 has been allocated for travel associated with consolidation, including two weeks of new Field Examiner training hosted by each of the hubs (for 55 new Field Examiners), pre-consolidation site visits to each of the consolidating stations, and help teams to prepare the transfer of work from consolidating stations to the hubs. Travel funding requested for fiscal year 2013 will mainly be limited to mandatory Field Examiner travel. VBA expects to spend approximately $300,000 per year on mandatory field examination travel in fiscal years 2012 and 2013 (this expense is not a result of or unique to the consolidation initiative).

Due to a preexisting need and the addition of 55 new out-based Field Examiners in fiscal year 2012, 88 new GSA-leased vehicles are being procured. VBA estimates an annual cost of $542,784 for these vehicles. While approximately half of this annual cost will be incurred in fiscal year 2012, the full annualized amount is requested for fiscal year 2013.

In standing up the hubs, each of the host regional offices will require additional space, supplies, and utilities. During fiscal year 2012, $611,605 in general operating expense funds have been allocated for these expenses.

c. Please outline the outcomes that are expected to be achieved as a result of these initiatives.

Response. P&F Service is fully staffed and provides policy and procedural guidance, quality assurance, and training to support approximately 300 field examiners, 200 legal instruments examiners, and 50 fiduciary managers nationwide.

P&F Service will revise all existing program guidance, starting with 38 CFR part 13. The purpose of this project is to ensure program administration consistent with current law and VA policy, and to provide clear and concise guidance for field personnel. The anticipated outcomes of the improved guidance are increased quality and improved timeliness.

The new version of FBS is being designed to significantly enhance workload management and provide an historical record of fiduciary performance. We anticipate greater efficiencies related to fewer miles traveled per field examination and the ability to leverage resources based on improved workload management. This system will allow for a more timely selection process based on better data.

The Hub concept gains efficiencies in resource allocation, timeliness, quality and consistency through centralized management and assignment of work without regard to state borders or regional office jurisdiction.

Question 3. In response to questions about VA's fiscal year 2012 budget request, VA provided this information: "The 2012 budget request does not include funds to develop an online training program for fiduciaries but we have conducted research to identify existing certification programs. We plan to develop a system in 2013."

a. Please provide an update on the status of this initiative.

Response. In FY 2011, VA launched a Web site for fiduciaries, which provides information regarding their duties and responsibilities, references, forms, and frequently asked questions. The online training program for fiduciaries is still in the initial stages of development.

b. Does the fiscal year 2013 budget request include any funding to advance this initiative?

Response. Given the need to fund the development of a new information technology system for the fiduciary program and the development of standardized training for fiduciary personnel, there is no specific funding request for this initiative in the 2013 budget. However, P&F Service has adequate resources to continue working with VBA's Office of Employee Development and Training to plan the initiative and develop training content.

Question 4. According to the fiscal year 2013 budget request, VA is requesting an increase in funding for Other Services in order to provide "oversight services to ensure responsible management of fiduciary assets."

a. What level of funding is requested for this purpose?

Response. VA requested $1.42 million for this purpose.

b. Please provide additional detail as to what "oversight services" would be provided with this funding.

Response. In reference to certification of a person for payment of benefits of a beneficiary, 38 U.S.C. § 5507(b) states in part "the Secretary shall request information concerning whether that person has been convicted of any offense under Federal or State law which resulted in imprisonment for more than one year." In accordance with this law, P&F Service entered into a contract with Accurint, which is a service of LexisNexis Risk Solutions, to provide instant criminal background checks on prospective fiduciaries. The use of this service will help VA disqualify individuals who do not meet the basic requirements for service as a fiduciary. The 2012 budget request only accounted for the use of Accurint background checks for six months. The amount requested for 2013 increased to fund the use of this program for a full year.

Oversight services funding will also support training and conferences for employee development and support FBS replacement. Centralized training, along with position-specific conferences will provide all field examiners and legal instruments examiners with the knowledge and skills to better select and conduct oversight of fiduciaries. Additionally, this standardized training will provide fiduciary personnel with the tools necessary to identify and address any performance issues with fiduciaries earlier in the process. The combination of new systems and training will allow fiduciary program employees to be more efficient and effective in protecting VA's most vulnerable beneficiaries and their dependents.

c. What metrics would be used to determine whether the oversight services are effective?

Response. P&F Service has added additional metrics to a new tool used by fiduciary personnel to prepare field examination reports. This will allow us to better measure the performance of fiduciaries.

Effectiveness of training will be evident in standard metrics for the program, to include:

- *Quality*—The expected performance outcome for FY 2013 is 90.0%. At the end of FY 2011, quality was 88.1%.
- *Timeliness of account audits*—The expected performance outcome for FY 2013 is 94%. Timeliness in FY 2011 was 86%.
- *Timeliness of follow-up and initial field examinations*—The expected performance outcome for FY 2013 is 92%. In FY 2011, 82.5% of follow-up and approximately 78% of initial filed examinations were performed timely.
- *Receipt of accountings*—The expected performance outcome is to obtain 95% of all accountings due before they mature to a seriously delinquent status, or 120 days past due. As of April 2012, 92.3% of all accountings were received before the 120-day threshold.

Appeals Management Center

Question 1. Since 2003, certain cases remanded by the Board have been handled at a centralized entity called the Appeals Management Center. In response to questions about the fiscal year 2012 budget request, VA indicated that $16.3 million was spent on the Appeals Management Center during fiscal year 2010, that VA expected to spend $18 million on the Appeals Management Center during fiscal year 2011, and that VA was requesting $18.3 million to spend on the Appeals Management Center during fiscal year 2012.

a. During fiscal year 2011, how much was actually spent on the Appeals Management Center and what level of staffing did that funding support?

Response. The Appeals Management Center (AMC) obligated $18.5 million in FY 2011 which supported 190 FTE.

b. During fiscal year 2012, how much is now expected to be spent on the Appeals Management Center and what level of staffing will that level of funding support?

Response. The AMC is authorized to increase its staffing level to 249 FTE in FY 2012. It is projected that the AMC will achieve a cumulative FTE average of 243 for the year, with total funding needs projected to be $20.5 million.

c. In total, how much funding is requested for fiscal year 2013 for the Appeals Management Center and what level of staffing would that funding support?

Response. In the FY 2013 request, VA estimated $21.5 million for the AMC to support 249 FTE.

d. For fiscal year 2011, what were the key performance outcomes for the Appeals Management Center (in terms of timeliness, quality, input versus output, pending inventory)?

Response. In FY 2011, the AMC exceeded several key performance indicators, including production and processing timeliness.

- *Timeliness:* At the end of FY 2011, the AMC's average processing timeliness was 367.6 days, vs. a target of 380 days. This was a significant improvement over FY 2010 processing time of 428.2 days.
- *Inventory/Output:* In FY 2011, the AMC completed 18,212 claims, which was an 11-percent increase over FY 2010. Production was only slightly below receipts of 18,844. Pending inventory at the end of FY 2011 was 20,281 vs. a beginning of year inventory of 19,649. The target inventory at the end of FY 2011 was 18,500.
- *Quality:* The AMC ended FY 2011 with 74.5 percent quality vs. a target of 90.0 percent.

To improve efficiencies, VBA has created an Appeals Design Team tasked with developing, testing, and evaluating improvements in the appeals process. The Design Team's recommendations are aimed at improving timeliness in each segment of the appeals process and making it more Veteran-centric, trust-earning, and consistent. Several of these recommendations were implemented as part of a pilot at the Houston RO on March 1, 2012. The recommendations are designed to reduce the appeals processing time at the RO level. It is anticipated that the remainder of FY 2012 and most of FY 2013 will be dedicated to the testing and national rollout of these recommendations before the overall impact can be seen on processing timeliness

The Appeals Design Team has instituted in-process reviews and also revised a Quality Review Certification Worksheet designed to address the prior year's top 10 avoidable remand reasons. The Design Team will also hold breakout sessions at the Veterans Service Center Managers' and Directors' Conferences to get input and feedback from VBA managers and leadership. These measures will help to improve the overall quality of appeals processing and reduce avoidable remands.

e. For fiscal years 2012 and 2013, what are the key performance targets for the Appeals Management Center?

Response. For FY 2012, the AMC production target is 30,000 claims, almost double the FY 2011 target. The increased target reflects the addition of RVSRs, as well as current employees becoming more proficient in their positions through experience. The continued focus on internal training programs and the addition of resources are expected to increase both output and quality. The overall average days pending target was decreased to 180 days, and average processing days target was decreased to 270 days. Achieving these targets would represent significant performance improvement over FY 2011. The accuracy target remains at 90 percent, and is one of the key focuses of the AMC during FY 2012.

FY 2013 targets will be formulated based on FY 2012 achievements, input from the AMC Director, and the Office of Field Operations.

Education

Question 1. According to the fiscal year 2013 budget request, the discretionary request for Education programs includes $14.6 million for Other Services. Please provide a detailed itemized list of how the $14.6 million would be utilized during fiscal year 2013. To the extent any of the funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. The table below itemizes the $14.6 million for Other Services (contracts) in Education's discretionary request.

Education Service 2013 President's Budget
Other Services Funding Request

Post-9/11 GI Bill Support	$6.6M
Instructional Systems Development & Training	0.6M
Execution of Public Laws 101–237 & 105–368: Outreach pamphlets and letters	0.2M
Customer Satisfaction Surveys	0.1M
State approving agency contract review	0.1M
Management support	7.0M
Total Other Services Funding Request	$14.6M

The $14.6 million budget request contains funding of $7.6 million for the following contracts:

- Strategic management and oversight services and continued systems engineering support contract for the Post-9/11 GI Bill
- Customer satisfaction surveys to measure claimants' satisfaction with the delivery of education benefits
- Contract for the development of computer-based and instructor-led training materials for new employee training and refresher training
- Execution of Public Laws 101–237 and 105–368 that includes outreach pamphlets and letters.

The remaining $7 million is management support costs. Management support costs for all VBA programs are prorated across business lines based on direct program FTE. Over half of $7 million is Education Service's portion of essential contracts to internal and external customers for services such as security, mail, and background investigations. This includes the Department of Homeland Security, the Department of the Treasury, the National Archives and Records Administration, and several VA customers (Debt Management Center, Financial Services Center, etc.). The remaining funds are Education Service's portion of the Veterans Relationship Management initiative; VBA infrastructure investments, such as the collocation or relocation of facilities and associated equipment contract costs; and equipment operating, maintenance, and repair services contracts.

Question 2. According to the fiscal year 2013 budget request, "[o]bligations for 2012 increase over the original budget estimate by $28.2 million to retain temporary GI Bill claims processors and to hire additional temporary claims processors, resulting in an increase of 435 FTE."

a. How was that $28.2 million originally expected to be spent?

Response. Public Law (P.L.) 111–377, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010, expanded the scope of educational benefits for Veterans thereby resulting in additional claims processing workload. $28.2 million was initially targeted for maintaining temporary FTE to address the workload increase from Public Law 111–377. These legislative changes prompted additional development modifications to automated processing in the Long-Term Solution (LTS) claims processing system. Additionally, the Veterans Retraining Assistance Program authorized by Title II of Public Law 112–56, the VOW to Hire Heroes Act of 2011, is expected to provide educational benefits to an additional 99,000 unique Veterans through March 31, 2014. Although additional funding was provided for Public Law 112–56, through the judicious management of hiring and attrition and redirecting management support FTE from the C&P program, VA was able to realign the resources necessary to retain the temporary GI Bill claims processors and add 110 additional term employees to address the workload increases.

b. For how long will these temporary employees be retained by the Education Service?

Response. VA estimates the temporary employees will be retained until early 2013.

c. Once their terms are complete, does VA plan to transition some or all of these temporary employees into positions with other VA business lines?

Response. VA anticipates that these temporary employees will only be retained until early 2013.

Question 3. According to VA's Web site, individuals with questions about education benefits may call 1–888–GIBILL–1 but they should "[b]e advised this line only accepts calls from 7:00 AM–7:00 PM central time Monday–Friday and you may experience long hold times." In addition, the fiscal year 2013 budget request reflects that, in fiscal year 2011, the abandoned call rate for the Education Call Center was 20%.

a. Currently, how many employees work at the Education Call Center, what is the average hold time, and what is the abandoned call rate?

Response. There are currently 302 employees at the Education Call Center (ECC). Performance is improving in FY 2012. For example, the average hold time for the month of April 2012 was 4:41 minutes. By contrast, the average time for FY 2012 through April is 10:51 minutes. The abandoned call rate for month of April 2012 is 11.7%, compared with 25% for the fiscal year to date through April 2012.

Callers may experience a wait time during peak volumes so VA implemented the Virtual Hold technology where the caller can leave their name and phone number and VA will return their call.

b. If the fiscal year 2013 budget request is adopted, how many individuals would work at the Education Call Center during fiscal year 2013?

Response. We do not expect to change the 302 FTE at the ECC in FY 2013.

Since the ECC is co-located with the Muskogee, Oklahoma, Regional Processing Office (RPO), resources are shifted from the RPO to meet increased demands at the ECC when needed.

GENERAL ADMINISTRATION

Office of the Secretary

Question 1. Last year, VA was unable to provide the Committee with information concerning the percentage and number of contracts awarded by VA's Central Office to service-disabled veteran owned small businesses (SDVOSBs) and veteran owned small businesses (VOSBs). VA indicated that a data analysis of VA's service contracts was underway, preventing a complete response.

a. Based on that data analysis, please provide the Committee with the percentage and number of contracts awarded by VA's Central Office to SDVOSBs and VOSBs.

b. Please provide the Committee with details (type, amount, and purpose) of the current contracts awarded to SDVOSB/VOSBs by VA's Central Office. Also, please itemize this data by individual offices within VA's Central Office.

Response. [These questions appear and were answered in the prehearing responses.]

Question 2. In the last year, the VA Center for Veterans' Enterprise (CVE) has been working on eliminating the backlog of SDVOSBs and VOSBs awaiting certification of their statuses in order to begin bidding on VA set-aside contracts.

a. How does CVE measure the effectiveness of its communications with SDVOSBs and VOSBs during the verification process?

b. Please provide the Committee with the current number of companies awaiting verification and the current average time companies have been awaiting verification once all documents have been submitted and verified by CVE.

Response. [These questions appear and were answered in the prehearing responses.]

Question 3. CVE is part of VA's Office of Small and Disadvantaged Business Utilization (OSDBU), which is under the Office of the Secretary. Although OSDBU reports to the Secretary, funding for OSDBU and CVE is provided by VA's Supply Fund. Please provide the Committee with detailed itemized budgets for fiscal years 2010 through 2013. Please include individual budget lines, FTE (permanent and contract), and applicable justifications.

VA Response. For the years FY 2010 and FY 2011, budget information for the two centers within OSDBU, the Center for Veterans Enterprise (CVE) and the Center for Small Business Utilization (CSBU), was consolidated. Therefore a separate budget for CVE alone is not available. The budget for the two centers was broken out in FY 2012 under the new Executive Director. In lieu of the budget for FY 2010 and FY 2011, we are providing expenditures for CVE. Please see the attached imbedded spreadsheet.

The increase in the CVE budget between FY 2011 and FY 2012 was due to a number of factors including:

• Anticipated replacement of the current management information system (MIS);
• Additional contracting staffing to accommodate the manual bypass procedures necessary until the replacement of the MIS; and
• Additional capabilities for customer service, help desk and the Verification Assistance Program.

Although the budget for FY 2012 is significantly higher, actual spending was far less than what was budgeted due to the fact that the replacement MIS will come in FY 2013.

CVE has seen improvements in many of its operations including:

• Average processing time on initial applications decreasing from over 100 days to 85 days as of June 2012 data;
• Average processing time on requests for reconsideration decreasing from over 200 days to 73 days as of August 2012 data; and
• Approval rate for initial applications and reverifications with a full document examination increasing from 31 percent at the end of FY 2011 to 59 percent as of September 2012 data.

In June 2012, the Secretary directed that a Senior Executive Task Force be stood up to examine the Verification Program and make recommendations on various issues to include staffing and infrastructure. The FY 2013 budget is not finalized, pending the outcome of the Task Force recommendations.

FY 2010 Thru FY 2012—Center for Veterans Enterprise

Prepared by: OSDBU

	FY 2010 Expenditure Report	FY 2011 Expenditure Report	FY 2012 CVE Budget
Regular Pay	$1,026,989.53	$2,253,196.71	$2,485,129
Night differential	$0.00	$11.97	$0
Holiday pay	$366.56	$1,301.13	$0
Overtime	$49,761.02	$113,883.64	$272,833
Employee special pay	$0.00	$0.00	$0
Terminal leave	$0.00	$6,336.00	$15,000
Incentive awrds cash/noncash	$25,064.00	$49,876.00	$0
Locality pay	$239,948.19	$514,033.31	$0
Advanced fed employ health FEHB	$0.00	$86.39	$0
Recoup advanced FEHB from carriers		($86.39)	$0
Regular benefits—BOC 12xx	$352,680.18	$735,609.98	$663,230
Total regular pay and benefits	$1,694,809.48	$3,674,248.74	$3,436,192
Travel—BOC 21xx	$43,827.61	$0.00	$94,500
Real property rental—GSA—BOC 23xx	$151,323.65	$0.00	$0
Other printing & reproduction—BOC 24xx	$1,555.84	$0.00	$0
Service agreements—BOC 25xx			$20,691,150
Contractor support	$7,164,912.89	$7,320,308.53	$20,591,150
			$100,000
Supplies—BOC 26xx	$14,944.72	$0.00	$40,000
Equipment—BOC 31xx	$171,193.42	$0.00	$40,000
Grand total	$9,242,567.61	$10,994,557.27	$24,301,842
Total Federal Government on board	20.1	22.0	19
Total contractors on board	20.0	78.0	160

*Due to past OSDBU leadership decisions, FY 2010 and FY 2011 OSDBU budgets were not broken out by center.
**No final FY 2013 budget as explained in response.

Question 4. According to the fiscal year 2013 budget proposal, 89 FTE are requested for the Office of the Secretary. Please provide a list of what positions, including pay-grades, would be included in the Office of the Secretary and its subsidiary offices if the fiscal year 2013 budget is approved.

Response.

1. Secretary of Veterans Affairs (PAS)
2. Executive Assistant (GS–15)
3. Staff Assistant (GS–13)
4. Staff Assistant/Scheduler (GS–14)
5. Deputy Secretary of Veterans Affairs (PAS)

6. Special Assistant (Career GS–13)
7. Staff Assistant (GS–11)
8. Chief of Staff (Non-Career SES)
9. Deputy Chief of Staff, Administration (Career SES)
10. Executive Assistant (GS–15)
11. Staff Assistant (GS–13)
12. Senior Advisor, Strategy (Non-Career SES)
13. Staff Assistant (GS–13)
14. Senior Advisor (Career term SES)
15. Senior Advisor/CTO (Non-Career SES)
16. Senior Advisor, Budget (Non-Career SES)
17. Senior Advisor Strategic Communications (Non-Career SES)
18. Special Assistant, (Non-Career GS–13)
19. White House Liaison (Non-Career GS–12)
20. Special Assistant (GS–15)
21. Staff Assistant/VSO Liaison (GS–13)
22. Staff Assistant (GS–13)
23. Ombudsman/NGO (GS–15)
24. Special Assistant (GS–15)
25. Special Assistant/Staff Coordinator (GS–9/11)
26. Staff Coordinator (GS–14)
27. Staff Coordinator (GS–14)
28. Staff Coordinator, (GS–14)
29. Program Management Officer (GS–15)
30. Staff Assistant (GS–13)
31. Special Assistant/Staff Coordinator (GS–9)
32. H.R. Liaison/Staff Assistant (GS–14)
33. Management Analyst (GS–13)
34. Executive Secretariat (Career SES)
35. Deputy Executive Secretariat (GS–15)
36. Staff Assistant (GS–13)
37. Executive Writer/Correspondence Analyst (GS–13)
38. Executive Correspondence Analyst (GS–14)
39. Executive Correspondence Analyst (GS–13)
40. Executive Writer (GS–14)
41. Executive Writer (GS–13)
42. Correspondence Analyst (GS–13)
43. Correspondence Analyst (GS–11)
44. Program Specialist (GS–11)
45. Program Support Assistant (GS–7)
46. Program Support Assistant (GS–7)

Subsidiary

Center for Minority Veterans (7)

47. Senior Program Analyst (GS–14)
48. Program Analyst (GS–13)
49. Program Support Assistant (GS–9)
50. Director (Non-Career SES)
51. Program Analyst (GS–13)
52. Deputy Director, (GS–15)
53. Program Analyst (GS–13)

Center for Women Veterans (5)

54. Senior Program Analyst (GS–14)
55. Program Analyst (GS–13)
56. Deputy Director (GS–15)
57. Program Support Assistant (GS–9)
58. Director (Non -Career SES)

Office of Survivors Assistance (3)

59. Director (GS–15)
60. Program Analyst (GS–13)
61. Staff Assistant (GS–9/11)

Center for Faith Based & Neighborhood Partnerships (4)

62. Program Specialist (GS–13)
63. Deputy Director (GS–14)
64. Director (Non-Career GS–15)

65. Program Specialist (GS–9)

Office of Employee Discrimination Complaint Adjudication (24)

66. Secretary (GS–6)
67. Associate Director (GS–15)
68. Paralegal (GS–11)
69. Attorney (GS–14)
70. Intern, (GS–5)
71. Attorney (GS–14)
72. Attorney (GS–14)
73. Attorney (GS–14)
74. Attorney (GS–14)
75. Administrative Officer (GS–12)
76. Secretary (GS–6)
77. Attorney (GS–13)
78. Attorney (GS–14)
79. Attorney (GS–14)
80. Paralegal (GS–11)
81. Intern, (GS–4)
82. Attorney (GS–14)
83. Secretary (GS–6)
84. Attorney (GS–13)
85. Attorney (GS–14)
86. Attorney (GS–14)
87. Attorney (GS–13)
88. Attorney (GS–14)
89. Director (Career SES)

Question 5. The fiscal year 2013 budget proposal reflects that the Office of the Secretary now expects to expend $228,000 on Other Services during fiscal year 2012, which is 87% higher than the amount requested ($122,000). The Office of the Secretary requests $125,000 for Other Services for fiscal year 2013.

a. Please identify any amounts included or excluded from those Other Services amounts that are attributable to reimbursements from other VA offices.

Response. $37,000 (included) is attributable to reimbursements from other VA offices.

b. Please provide an itemized list of how those funds are expected to be expended during fiscal year 2012.

Response.

	($ in thousands)
Reimbursement	$37
Reception fund	15
Contracts (training, advisory committee stipends, outreach booth rentals)	102
Copier (CMV/CWV)	20
OSVA Contracts (training, copiers, etc.)	53
Total	$227

NOTE: Additional funds carried over from FY 2011 were used to address needed "Other Services" beyond the budget amount.

c. Please provide an itemized list of how those funds are expected to be expended during fiscal year 2013.

Response.

	($ in thousands)
Reimbursement	$37
Reception fund	15
Contracts (training, advisory committee stipends, outreach booth rentals)	33
Copier (CMV/CWV)	20
OSVA Contracts (training, copiers, etc.)	20
Total	$125

Note: Additional funds carried over from FY 2012 will be used to address additional needed "Other Services" beyond the budget amount.

Question 6. According to the fiscal year 2013 budget proposal, the Office of the Secretary now expects to expend $488,000 on travel during fiscal year 2012, which

is 29% higher than the amount requested ($379,000). For fiscal year 2013, $279,000 is requested for travel for this office.

a. Please identify the reasons for the increase in travel spending during fiscal year 2012.

Response. The original request of $379,000 was based on the expected budget authority for FY 2012. This original amount was found insufficient to meet the full range of critical travel requirements to support necessary site visits, meetings, training and other responsibilities throughout the fiscal year.

b. Please explain what circumstances are expected in 2013 that will allow for lesser expenditures on travel.

Response. The original request of $279,000 was based on the expected budget authority for FY 2013. VA will continue to seek opportunities to reduce travel and better leverage video-teleconferences and other methods to reduce overall travel costs and requirements. Additional FY 2013 travel requirements may be met with reallocated General Administration funding.

Question 7. According to the fiscal year 2013 budget proposal, the Office of the Secretary now expects to spend $217,000 on supplies and materials, which is 25% higher than the amount requested ($174,000). For fiscal year 2013, that office requests $100,000 for supplies and materials.

a. Please provide an explanation of how these funds are expected to be expended during fiscal years 2012 and 2013.

Response.

	($ in thousands)
Fiscal Year 12	
Reimbursement	$43
Copier/Equipment	20
Supplies	129
Publications	15
Total	$217
Fiscal Year 13	
Reimbursement	$43
Copier/Equipment	10
Supplies	36
Subscriptions	11
Total	$100

b. Please explain what circumstances are expected in 2013 that will allow for lesser expenditures on supplies and materials.

Response. OSVA continues to carefully evaluate all purchases and spending related to supplies and materials to both minimize requirements and maximize savings. Reductions in supplies and subscriptions are planned. FY 2012 carryover funds may be available to address additional needed "supplies and materials" beyond the FY 2013 budget amount.

Question 8. The Office of Survivors Assistance is one special office under the Office of the Secretary. For fiscal year 2013, VA requests $552,000 for that office to support three employees.

a. During fiscal year 2012, how much in total is currently expected to be expended with respect to the Office of Survivors Assistance?

Response. The Office of Survivors Assistance expended $327,537for Fiscal 2012. OSA hired its Staff Assistant during the last month of the 3rd Quarter (June 2012) and OSA did not attend all training/events planned due to cancellations by hosting agencies.

b. For fiscal year 2013, please identify the pay-grades of the employees who are expected to work for the Office of Survivors Assistance.

Response. For Fiscal Year 2013, the Office of Survivors Assistance will have the following pay grades of employees:

GS—15 Director
GS—13 Program Analyst
GS 9/11—Staff Assistant

Question 9. According to the budget request, the functions performed by the Office of Survivors Assistance include "[a]dvocating for the needs of survivors in the policy and programmatic decisions of VA" and "[t]racking and recommending survivor legislative issues."

a. Please explain whether the Office of Survivors Assistance is currently performing these functions and, if so, how.

Response. The Office of Survivor Assistance (OSA) advocates for the needs of survivors in the policy and programmatic decisions of VA by participating in all levels of senior leadership meetings such as the Executive Leadership Board meetings with the Secretary and Chief of Staff; Senior Management Council; Strategic Review Group; Special Programs Meetings; and Strategic Planning Efforts. OSA works very closely and collaboratively with other organizations regarding survivor issues and also participates in organizational meetings to provide information needed to make informed decisions by respective organizations.

b. Please explain whether any changes will be made to the scope of activities carried out by the Office of Survivors Assistance during fiscal year 2013 and, if so, whether the budget request supports any such changes.

Response. At the present time, there are no additional changes that will be made to the scope of activities carried out by the Office of Survivors Assistance during fiscal year 2013.

c. Please explain what outcomes or performance metrics are used to gauge the effectiveness of the Office of Survivors Assistance.

Response. OSA currently gauges its effectiveness by internal and external collaborative outreach efforts with survivor groups, the Department of Defense, Federal, State and local agencies as well as Veterans Service Organizations, faith-based and community organizations, hospice and palliative care industries along with the funeral industry, and other stakeholder groups to promote the awareness of benefits and services that Survivors may be eligible to receive. Outreach efforts include conducting presentations, serving as panel members, facilitating and coordinating events; conducting conference calls and hosting exhibit booths. OSA also measures effectiveness by the number of persons accessing its Web site and electronic mailbox.

Board of Veterans' Appeals

Question 1. Last year, VA was unable to provide the Committee with information concerning the percentage and number of contracts awarded by VA's Central Office to service-disabled veteran owned small businesses (SDVOSBs) and veteran owned small businesses (VOSBs). VA indicated that a data analysis of VA's service contracts was underway, preventing a complete response.

a. Based on that data analysis, please provide the Committee with the percentage and number of contracts awarded by VA's Central Office to SDVOSBs and VOSBs.

b. Please provide the Committee with details (type, amount, and purpose) of the current contracts awarded to SDVOSB/VOSBs by VA's Central Office. Also, please itemize this data by individual offices within VA's Central Office.

Response. [These questions appear and were answered in the prehearing responses.]

Question 2. The fiscal year 2013 budget request includes $74 million to support 527 employees for the Board.

a. Please provide a breakdown of the positions that would be filled in fiscal year 2013 and the number of staff for each type of position.

Response. The breakdown of the Board's 527 FTE is as follows: 4 executives; 64 Board members; 329 attorneys; and 130 administrative staff.

b. Please identify how many members of the Board (or veterans' law judges) currently are employed at the Board?

Response. There are 58 members of the Board currently employed at the Board, with 5 pending nominations awaiting Presidential approval and one vacancy.

c. Please provide a breakdown of the number of Board members who were existing Board employees when selected to become a Board member, the percentage who were selected from other VA offices, and the percentage who were selected from outside of VA.

Response. Currently, 56 Board members were existing Board employees when selected to become a Board member (97 percent). Two Board members were selected from another VA office (3 percent).

Question 3. According to the fiscal year 2013 budget proposal, the average appeals resolution time in fiscal year 2010 was 656 days. According to the fiscal year 2010 annual report provided by the Chairman of the Board, "[t]he average length of time between filing the appeal and the Board's disposition was 886 days" in fiscal year 2010. Also, the report from the Chairman reflects that it took on average 243 days between filing of a Notice of Disagreement to issuing a Statement of the Case, 42 days from the issuance of the Statement of the Case to VA's receipt of a Substantive Appeal, 609 days from receipt of the Substantive Appeal to certification of the ap-

peal to the Board, and 212 days from the Board's receipt of a certified appeal to the Board's issuance of a decision, which would total to 1,106 days.

a. Please reconcile these statistics for fiscal year 2010, including what specific time periods are included in or excluded from each total.

Response. The appeals process at VA is bifurcated, with most steps for processing an appeal occurring at the Veterans Benefits Administration (VBA) regional office level. If the matter is not resolved to the Veteran's satisfaction, the appeal may be transferred to the Board of Veterans' Appeals (BVA or Board) for a final agency decision. The Appeals Resolution Time (ART) is a joint measure (i.e. VBA/BVA) that represents the average length of time it takes the Department to process an appeal from the date a claimant files a Notice of Disagreement (NOD) until a case is finally resolved, whether the appeal is resolved at the regional office level or at the Board. Thus, the ART includes many appeals that are resolved and never come to the Board for decision. In FY 2010, the average ART for resolution of appeals at any and all different levels of the appeals process, including appeals that resolve at the earliest level after the NOD, was 656 days.

The BVA Report of the Chairman is similar to the ART in some aspects, but quite different in other aspects. Like the ART, the Report of the Chairman measures the average time intervals for particular portions of the appeals process, but unlike the ART, the BVA Report of the Chairman does not measure how many appeals were resolved at each stage of the appeals process. Rather, the BVA Report of the Chairman considers all Board dispositions, to include remands, and focuses on discrete time intervals during the process. Additionally, the categories of time intervals measured by the BVA Report of the Chairman are slightly different than those intervals measured by the ART.

The BVA Report of the Chairman sets forth five separate time intervals in the appeals process, and reports the average elapsed processing time for each interval. This is calculated by starting with a particular action during the fiscal year, looking backwards to the preceding action, and averaging the number of days for processing. For example, for Statements of the Case (SOC) issued in FY 2010, it took an average of 243 days from the receipt of the NOD for VA to issue an SOC. Likewise, for all Substantive Appeals received by the Department in FY 2010, the data shows that the Substantive Appeals were received in an average of 42 days from the date that the SOC was issued. Similarly, for all appeals certified to the Board in FY 2010, the data shows that appeals were certified in an average of 609 days from the date that the Substantive Appeal was received by the Department. As these reported times are average times for specific parts of the appeals process, they should not be added to determine the average total time to resolve an appeal. Each time interval may contain a different universe of appeals (as some appeals are resolved at each stage and drop out).

The 886 number referenced in the question (and appearing at the top of page 19 in the BVA Report of the Chairman for 2010) shows the average length of time between filing the appeal (the Substantive Appeal, or VA Form 9) and the Board disposition. The Board is required by statute to report this time period. Note that this figure is not the same as the ART, as it does not include the time from the filing of a Notice of Disagreement, which is a significant period of time preceding the VA Form 9, and which is reflected in the calculation for the ART. Also note that the BVA Report of the Chairman reports time to all Board dispositions (allowances, denials, remands, dismissals), whereas the ART measures time to a final resolution (allowance, denial, dismissal). In other words, the overall time listed in the BVA Report of the Chairman, FY 2010 (886 days) is quite different from the ART (656 days) since it measures time to a Board disposition (including remands), whereas the ART measures time periods to any final resolution of appeals within the Department as a whole, at any point following the NOD.

b. For fiscal years 2011, 2012, and 2013, what time periods are included in or excluded from the appeals resolution times reflected in the fiscal year 2013 budget request?

Response. As explained in Question 3a, the ART is a joint measure between VBA and BVA that represents the average length of time it takes the Department to process an appeal from the date a claimant files an NOD until a case is finally resolved, whether the appeal is resolved at the regional office level or at the Board. If the Board remands a case, the clock continues to tick in the ART for that appeal, as it has not yet been finally resolved. The method for calculating the ART has not changed over the subject years.

Question 4. According to the fiscal year 2013 budget proposal, the average appeals resolution time increased from 645 days in 2008 to 747 days in fiscal year 2011,

but is expected to decrease to 675 days in fiscal year 2012 and 650 days in fiscal year 2013.

a. What factors accounted for the 102 day decline in timeliness between 2008 and 2011?

Response. As explained above, the ART is a joint measure between VBA and BVA that represents the average length of time it takes the Department to process an appeal from the date a claimant files an NOD until a case is finally resolved, whether the appeal is resolved at the regional office level or at the Board.

A contributing factor to VBA delays in the appeals process in recent years is due in large part to the readjudication of previously denied claims for the new Agent Orange presumptive conditions (Parkinson's disease, ischemic heart disease, and b-cell leukemias) required under U.S. Court of Appeals, Ninth Circuit decision, *Nehmer* v. *the Department of Veterans Affairs* (VA). VBA claims inventory increased more than the appeals inventory for the period. In the beginning of FY 2010, VBA's thirteen resource centers began preparing to review and readjudicate nearly 100,000 claims resulting from the *Nehmer* litigation. Over the course of FY 2011 and FY 2012, VBA has adjudicated nearly 248,000 Agent Orange claims for the new presumptive conditions and provided over $3.7 billion in retroactive benefits to over 132,000 Vietnam Veterans and their survivors. The reallocation of resources necessitated by this dramatic workload increase resulted in a significant loss in claims processing capacity and left fewer resources to process the regular rating workload, including appeals. This included 1,100 Veterans Service Representatives (VSRs) and almost 1,200 Rating VSRs (RVSRs) working Agent Orange claims in FY 2011. Because of this, the current VBA appeals workload is not a true indication of either past or future workload performance.

With respect to the Board's timeliness, an appropriate measure to examine is the time interval from the receipt of the certified appeal at the Board to the issuance of the BVA decision (regardless of the disposition—allowances, denials, remands, dismissals). This measurement, which is reported in the Board's annual Report of the Chairman, represents the total time that the Board was in physical possession of the appeal and able to work on it (as opposed to the time periods prior to certification and receipt, at which point the appeal is under the control of VBA).

The main factor that contributed to delays at the Board is the direct correlation between the number of full time equivalents (FTE) BVA has on board and the number of decisions it is able to issue. BVA is a lean organization with a singular mission—to decide appeals on behalf of the Secretary. By statute, and with few exceptions, the Board decides appeals in docket order. Thus, when there are fewer FTE, the Board is able to produce fewer decisions, which in turn causes delay for newer appeals, thereby increasing the average time it takes for the disposition of all appeals. BVA constantly looks for business process re-engineering as a way to increase the number of decisions that can be made. In addition, VA has proposed a number of legislative proposals to the Congress which would also assist BVA in carrying out its mission.

b. What factors will allow a reduction in timeliness during fiscal years 2012 and 2013?

Response. Factors that will impact timeliness in appeals both at VBA and the Board include the Department of Defense's planned draw down of Servicemembers and the VOW to Hire Heroes Act of 2011, which mandates participation in the Transition Assistance Program upon separation from service. This very beneficial program will likely result in an increase in compensation claims receipts at VBA. As BVA historically gets approximately 5 percent of all VBA receipts, an increase in workload at VBA necessarily translates into an increased workload at BVA.

Question 5. According to the fiscal year 2013 budget request, it appears that the Board expects its backlog of appeals to grow from approximately 20,000 appeals in fiscal year 2011 to over 65,600 appeals in fiscal year 2013.

a. How many appeals does the Board expect to receive in fiscal years 2012 and 2013?

Response. BVA expects to receive 66,600 appeals in FY 2012, and 73,924 appeals in FY 2013. Historical trends consistently show that BVA receives an average of 5 percent of all VBA claims receipts. The Board projected these receipts accordingly.

b. How many decisions does the Board expect to issue during fiscal year 2012?

Response. Based on the number of FTE currently sustainable on the FY 2012 budget, BVA expects to issue 47,600 decisions.

c. With the requested level of funding, how many decisions does the Board expect to issue during fiscal year 2013?

Response. As the level of funding for FY 2013 has remained the same as that for FY 2012, BVA expects to issue 47,600 decisions.

Question 6. In response to questions about the fiscal year 2012 budget request, VA indicated that the Board expected to spend $1 million on travel in fiscal year 2011 and $1.1 million on travel in fiscal year 2012 in order to conduct in-person hearings at field offices.

a. During fiscal year 2011, how many in-person hearings were conducted at field offices and how much did the Board spend on travel for those hearings?

Response. In FY 2011, the Board conducted 9,747 hearings in the field (or "Travel Board hearings," expending $746,753 (which includes the cost of travel, lodging, and per diem).

b. During fiscal year 2012, how many travel hearings does the Board expect to conduct and how much in total does the Board now expect to spend on those travel hearings?

Response. Pursuant to 38 U.S.C. § 7107, appellants have a right to ask for a hearing before the Board to be held at the Board's principal location in Washington, DC, or at a regional office of the Department. While BVA affords the appellant an opportunity to participate in a hearing through electronic means, the appellant can decline such a hearing, while maintaining his or her right to an in-person hearing. Therefore, BVA Judges must by law travel to the field in cases in which the appellant has requested an in-person hearing. VA has proposed legislation to allow BVA wider use of video conferencing capabilities in conducting hearings. The potential benefits include serving more Veterans, reducing the waiting time for a hearing on appeal, and increased productivity by the Board in issuing final decisions on appeal. Additionally, fewer funds would be required for travel.

In FY 2012, the Board expects to conduct 7,150 hearings in the field, expending $836,526. Notably, at the time of the planning of the FY 2012 budget, BVA expected to conduct 9,000 field hearings, with the planned expense of $1,054,000, as it intended to maintain the level of Travel Board hearings conducted in FY 2011. However, since that time, BVA has altered its planning in order to gain efficiencies for Veterans Law Judges and realize cost avoidance in travel dollars. Specifically, for FY 2012, BVA decreased the number of field hearings by 25 percent, to be made up by an increase in video teleconference hearings.

c. During fiscal year 2013, how many travel hearings does the Board plan to conduct and what level of funding is requested for that purpose?

Response. In FY 2013, the Board expects to conduct 5,070 hearings in the field, with funding requested for $900,000. This represents an additional 25 percent decrease in field hearings, in favor of an increase in video teleconference hearings.

Question 7. According to the fiscal year 2013 budget request, VA now expects to spend $2.6 million on Other Services during fiscal year 2012, which is 29% higher than the amount requested for fiscal year 2012, and the Board is requesting $2 million for Other Services for fiscal year 2013.

a. Please explain what led to the expected increase in Other Services during fiscal year 2012.

Response. In FY 2011, BVA set aside $588,000, in order to fund a customer satisfaction survey contract in conjunction with VBA. That contract was delayed in FY 2011, and ultimately was not let during the fiscal year. VA's appropriations language allowed BVA to carry over $500,000 to fund such a contract in FY 2012. Therefore, the current FY 2012 plan for Other Services is higher than initially indicated, by $500,000.

b. Please provide an itemized list of how these funds are expected to be spent during fiscal year 2012.

Response. The itemized list is as follows:

Customer Service Survey: $500,000

Franchise Fund (Interagency agreements): $268,755
Dept of the Army—$3,792
OGC (Cyberfeds, & Hein Online)—$3,930
Office & Resolution Management—$53,000
Human Resources & Admin (HR&A, HCIP)—$131,000
Records Center and Vault—$168
Security & Investment Center—$1,000
Defense Finance & Accounting—$47,285
Financial Service Center—$28,580

Contracts: $1,746,245
Transcription Services—$952,869
West Legal Database—$391,564
Shredding Services—$23,725
Promisel & Korn Data System—$378,087

c. Please provide an itemized list of how these funds would be spent during fiscal year 2013.

Response. The itemized list is as follows:

Franchise Fund (Interagency agreements): $272,250
Dept of the Army—$4,000
OGC (Cyberfeds, & Hein Online)—$4,500
Office & Resolution Management—$54,000
Human Resources & Admin (HR&A, HCIP)—$131,000
Records Center and Vault—$170.00
Security & Investment Center—$1,000
Defense Finance & Accounting—$49,000
Financial Service Center—$28,580

Contracts: $1,776,000
Transcription Services—$960,000
West Legal Database—$392,000
Shredding Services—$24,000
Promisel & Korn Data System—$400,000

Office of General Counsel

Question 1. According to the fiscal years 2013 budget request, VA is seeking total resources of $103.9 million for the Office of General Counsel and 729 FTE.

a. Please provide a list of the positions that would be filled in fiscal year 2013 with that level of funding and the number of staff for each position.

Response. OGC's request will sustain current (FY 2012) staffing levels of approximately 480 attorneys, 90 paralegals, and 155 support staff (including legal assistants, data specialists, clerical staff, and budget and H.R. support). These personnel are distributed across OGC's 22 Regional Counsel Offices in the field and eight subject-matter-specific staff groups in VA Headquarters. OGC does not anticipate creating any new positions in FY 2013, but may fill behind existing employees who retire or resign.

OGC's current staffing, which is expected to continue without significant modification into FY 2013, is as follows (Note: Information current as of April 4, 2012. Includes FTE on board and vacancies approved to fill. Fractions indicate part-time personnel. The VACO Staff Groups and OGC Front Office are treated as a single unit for budget allocation purposes):

Headquarters	Attorneys	Paralegals	Support	Total FTE	FY 2012 Budget ($ thousands)
Front Office: GC, Deputy GC, and support	3	0	2	5	
Staff Group 1: Torts, Loan Guaranty,	17	0	3	20	
Staff Group 2: Compensation & Pension Benefits, Insurance, Regulatory Law, Cemetery Law	15	1	5	21	
Staff Group 3: HR/Labor Relations Law, Ethics, Health Care Law	24	3	1	28	
Staff Group 4: EEO, Information Release and Security, Appropriations	20	0	3	23	
Staff Group 5: Procurement Law	51	0	5	56	
Staff Group 6: Management & Operations	5	2	33	40	
Staff Group 7: Veterans Claims Litigation	73	5	33	111	
02REG: Regulations	2	0	8	10	
Total	210	11	93	314	$48,369
Region 1: CT, MA, ME, NH, RI	15	1	5	21	$2,618
Region 2: NYC, part of NJ	15	1	4	20	2,884
Region 3: MD, DC, part of WV	9	3	2	14	2,078
Region 4: PA, DE, part of NJ	12	5	1	18	2,395
Region 5: GA, SC	13	0	4	17	2,207
Region 6: FL, PR	18	9	3	30	3,474
Region 7: OH, part of WV	13	4	4	21	2,623
Region 8: TN, AR	11	5	1	17	2,209
Region 9: MS, AL	10	2	3	15	1,838
Region 10: IL, IA	14	2	4	20	2,699
Region 11: MI, WI	13	3	0	16	2,108
Region 12: MO, KS, NE	14	5	4	23	2,713
Region 13: TX (Western, Northern, Central), OK	13	5	6	24	2,860

Headquarters	Attorneys	Paralegals	Support	Total FTE	FY 2012 Budget ($ thousands)
Region 14: TX (Southern), LA	15	4	4	23	2,972
Region 15: MN, ND, SD	7	1	2	10	1,417
Region 16: CO, MT, UT, WY	10	2	0	12	1,788
Regions 17/18: CA, HI, Pacific Islands, part of NV	24	8	4	36	5,325
Region 19: AZ, part of NV	12	3	2	17	2,159
Region 20: OR, WA, ID, AK	12	4	2	18	2,253
Region 21: upstate NY, VT	10	4	1	15	1,792
Region 22: IN, KY	8	2	1	11	1,319
Region 23: NC, VA	11	3	3	17	2,094
Region Total	279	76	60	415	
OGC-WIDE TOTALS	489	87	150	729	$102,194

b. For each regional counsel office, please identify the number and type of staff that would be located at the office during fiscal year 2013 and a description of the functions performed by that office.

Response. As noted above, OGC's FY 2013 funding request will sustain FY 2012 staffing levels and mix at each Region.

With respect to the functions performed by each office, OGC's 22 Regional Counsel offices provide legal service and support to VA field facilities (Medical Centers, Regional Benefits Offices, National Cemeteries, and the like) within their geographic areas of jurisdiction. The various Regional Counsel offices vary in terms of staff size, number of clients served, and size of their geographic territory, but all Regional Counsel offices provide the same core menu of legal services to the VA facilities within their respective geographic areas, e.g., employment law advice and representation, administrative tort claim adjudication, information law counseling, review of contracts and other business law services.

c. If the fiscal year 2013 budget request is adopted, what would be the expected total budget for each regional counsel office?

Response. For FY 2013, as in years past, OGC will allocate resources, including personnel, to each Regional Counsel office based on the specific case load that Region is expected to bear. Over 94 percent of OGC's budget—including the budgets allocated to each Regional Counsel office—is devoted to payroll. For that reason, the Regions' individual budgets fluctuate as payroll rises (e.g. as vacancies are filled or employees are promoted), and falls (e.g. as employees retire or resign). Some Regions also require more travel funding than others to facilitate attorney travel to remote clients (such as Region 18's client facilities in the Philippines and Guam) or supervisor travel to remote subordinates (such as Region 6's out-stationed staff in Puerto Rico).

OGC estimates that the Regions' FY 2013 budgets will be approximately equivalent to the amounts allocated to each Region in FY 2012. (See response to question 1.a. above.)

Question 2. According to the fiscal year 2013 budget request, VA Office of General Counsel now expects to spend $1.7 million on equipment during fiscal year 2012, which is 38% higher that requested for fiscal year 2012 ($1.2 million), and that office requests $525,000 for equipment in fiscal year 2013.

a. Please explain what led to the expected increase in equipment expenditures during fiscal year 2012 and how that funding ($465,000) was originally expected to be spent.

Response. The Office of General Counsel was going to lease equipment over a 5 year period beginning in fiscal year 2012 but decided to purchase the equipment in fiscal year 2012. The funds were transferred from our Travel and Rents, Communications and Utility accounts to cover the additional expense.

b. Please provide an explanation of how these funds are expected to be expended during fiscal year 2013.

Response. The Office of General Counsel will replace all outdated equipment—Fax machines, date stamp machines, dictation equipment that has exceeded its life expectancy. We will also begin replacing outdated furniture (i.e. more than 10 years old).

Question 3. According to the fiscal year 2013 budget request, VA Office of General Counsel now expects to spend $1.3 million on Other Services during fiscal year 2012, which is 57% higher than the amount requested for fiscal year 2012

($838,000), and that office is requesting $1.1million for Other services in fiscal year 2013.

a. Please explain what led to the expected increase in Other Services during fiscal year 2012.

Response. Our Other Services account increased by $476,000 since our Congressional submission for the following reasons:

Account	Amount of increase	Reason for Increase
Repair of furniture and equipment	$15,000	To extend the useful life of furniture and postpone the need to purchase new items
Training	$234,000	To maintain skills and ensure familiarity with new developments
Relocation Services	$150,000	To pay relocation expenses regarding the replacement of two Regional Counsels positions vacated by retirements
Contracts	$77,000	Short-term personnel support pending recruitment of permanent replacements
Total	$476,000	

b. Please provide an itemized list of how these funds are expected to be spent during fiscal year 2012

Response. The Office of General Counsel plans to spend its Other Services funding in FY 2012 as follows:

Account	Amount	Purpose
Repair of furniture and equipment	$52,000	To extend the useful life of furniture and postpone the need to purchase new items
Security	$10,000	Cost for security at leased space
Human Capital Investment Plan (HCIP)	$178,000	Pro-rata charge for VA's online training system
Security & Investigation	$15,000	Cost for background investigation and new ID badges
Office of Resolution Management	$38,000	Cost for internal mediation
Financial Service Center	$35,000	Cost to process payments
Record Center & Vault	$2,000	Storage of files
Office move	$20,000	Relocation of the Roanoke area office
Furniture moving	$10,000	Reconfiguring cubicles and offices
Notaries	$2,500	Notary renewals
Tort training video	$14,000	Tort training video
Award event expenses	$10,000	Award event expenses
Shredding contracts	$8,000	To ensure the proper destruction of retired paper records
Meeting room rentals	$32,500	For approved training events
Case related expenses	$20,000	Transcribers, filing fees, mediators
Contract labor	$77,000	Short-term personnel support pending recruitment of permanent replacements
Defense Finance & Accounting Service (DFAS)	$92,000	Payroll processing expense

Account	Amount	Purpose
DA (Army) Financial Disclosure	$10,000	Cost to process financial disclosure statements
Training[1]	$524,000	To maintain skills and ensure familiarity with new developments
Relocation Expenses	$150,000	Relocating 2 Regional Counsels—Region 15 & 20
Total	$1,300,000	

[1] As OGC's staffing remains flat while workload continues to grow, it becomes critical that all OGC employees are fully trained to carry out their assigned duties as efficiently and effectively as possible.

c. Please prove an itemized list of how these funds would be spent during fiscal year 2013.

Response. The Office of General Counsel plans to spend their Other Services funding in FY 2013 as follows:

Account	Amount of increase	Purpose
Repair of furniture and equipment	$57,000	To extend the useful life of furniture and postpone the need to purchase new items
Security	$26,000	Cost for security at leased space
Human Capital Investment Plan (HCIP)	$178,000	Pro-rata charge for VA's online training system
Security & Investigation	$15,000	Cost for background investigation and new ID badges
Office of Resolution Management	$121,000	Pro-rata charge to fund this VA office
Financial Service Center	$35,000	Cost to process payments
Record Center & Vault	$2,000	Storage of files
Furniture moving	$10,000	Reconfiguring cubicles and offices
Notaries	$2,500	Notary renewals
Award event expenses	$10,000	Award event expenses
Shredding contracts	$8,000	To ensure the proper destruction of retired paper records
Case related expenses	$20,000	Transcribers, filing fees, mediators
Meeting room rentals	$39,500	For approved training events
Cleaning service	$9,000	Region 3
Defense Finance & Accounting Service (DFAS)	$94,000	Payroll processing expense
DA (Army) Financial Disclosure	$10,000	Cost to process financial disclosure statements
Training	$313,000	To maintain skills and ensure familiarity with new developments
Relocation Expenses	$150,000	To pay relocation costs to replace up to two retiring Regional Counsel/Assistant General Counsel
Total	$1,100,000	

Question 4. Within the Office of General Counsel, Professional Staff Group VII represents VA before the U.S. Court of Appeals for Veterans Claims (Veterans Court).

a. Currently, how many employees are assigned to Professional Staff Group VII and what is the average number of active cases per attorney?

Response. As of April 30, 2012, there were 108 FTE assigned to Professional Staff Group VII (PSG VII). That total included two attorneys who are indefinitely recalled to active duty with the Navy and Air Force, meaning that the positions are carried on PSG VII's books, but the employees are working elsewhere. In addition, a third PSG VII attorney is detailed for twelve months to an Ethics Pilot Project elsewhere in the Office of the General Counsel.

As of April 30, 2012, PSG VII had 23 vacancies, comprised of 14 support staff and 9 attorney positions. At that time, the average caseload was approximately 42 active cases per attorney. The term "active case" signifies a case in which the Secretary has yet to file his brief or an equivalent dispositive pleading.

b. For fiscal year 2013, what level of funding is requested to support Professional Staff Group VII and how many employees would that level of funding support?

Response. In FY 2013 budget requests an FTE level of 111.25 and a funding level of $13,777,534 for PSG VII.

c. Please provide a list of the positions that would be filled with that level of funding.

Response.

Position Title	Number
Supervisory Program Specialist	1
Attorney	73.25
Paralegal Specialist	5
Legal Assistants	16
Program Service Specialist	1
Program Support Assistants	13
Program Analyst	2
Total	111.25

d. With the requested funding level, what would be the expected average number of active cases per attorney during fiscal year 2013?

Response. In fiscal year 2013 we anticipate 40 cases per attorney.

e. How many motions for extension of time did Professional Staff Group VII file during fiscal year 2011?

Response. In FY 2011, PSG VII filed 1,786 extension motions, an average of 149 extension motions per month. PSG VII met approximately 92 percent of its deadlines without seeking an extension (or further extension). By comparison, in FY 2011 appellants and their representatives met 90 percent of their deadlines without an extension.

f. How many motions for extension of time has Professional Staff Group VII filed to date during fiscal year 2012?

Response. As of March 31, 2012, PSG VII had filed a total of 11,127 pleadings during FY 2012, of which 1,143 represented extension motions. Thus, at this point in the Fiscal Year, PSG VII is averaging 1,855 pleadings per month, and 191 extension motions per month.

Question 5. According to VA's Fiscal Year 2011 Performance and Accountability Report, VA "is making substantial progress in completing a monumental, multi-year project to completely reorganize and rewrite all of VA's compensation and pension regulations" and expects the final regulations "to be completed and published in 2012."

a. Is this project still expected to be completed during 2012?

Response. The fundamental work to reorganize and rewrite VA's compensation and pension regulations will be completed in 2012. A final internal coordination review must still be accomplished, after which VA will then finalize its plan to secure comments through a public review and comment phase. As a result, the regulations will not be completed and published in 2012.

b. Is this project still expected to be completed during 2012?

Response. The Department has frequently reviewed the various options for deploying the product of this major reorganization and rewriting initiative. We have determined that a more deliberate review of most, or all, of the rewrite project package, vice multiple partial reviews of package components, is likely to produce the most effective understanding and acceptance of this work. While this adds time to the implementation of the new regulations, it also provides a more comprehensive and structured review opportunity to stakeholders.

c. Please provide an estimate of the resources needed to complete this project.

Response. The regulation rewrite portion is not expected to require additional resources, but the implementation of these rules will require more resources over time. Areas of cost include training program revisions, manuals and forms updating, skills certification materials, and IT projects to modify our claims processing systems. Costs have not been finalized and will be reflected in future budgets as necessary.

d. Does the Fiscal Year 2013 budget request include any funding necessary to complete this project?

Response. No specific funding was requested in FY 2013. Implementation budget planning will occur in 2013.

Question 6. Under current law, if an individual is a prevailing party at the Veterans Court, that individual may be eligible to receive an award of attorney fees under EAJA.

a. What is the total amount VA expended during fiscal year 2011 for EAJA awards by the Veterans Court, how much is expected to be spent during fiscal year 2012 on those EAJA awards, and how much is requested in the fiscal year 2013 budget to pay for those EAJA awards?

Response. Total EAJA obligations in FY 2011 were approximately $12.6 million. A total of $13.0 million is estimated for FY 2012, and a total of $13.3 million is estimated for FY 2013.

b. For fiscal year 2011, how many individuals received awards of EAJA fees from the Veterans Court, what was the average award amount per individual, and in how many of those cases did VA not contest the EAJA award?

Response. According to data published in its annual report, the Veterans Court granted 2,627 EAJA applications in FY 2011. The annual report can be found at: http://www.uscourts.cavc.gov/documents/FY_2011_Annual_Report_FINAL_Feb_29_2012_1PM_.pdf.

VA's data indicate that the average EAJA award was approximately $5,298 per case. Although precise numbers are not available, it is accurate to say that VA did not contest the vast majority of the EAJA applications filed in FY 2011. In many of those cases, VA negotiated a reduced award with the appellant's counsel, such that a fee contest and thus, further litigation, was not necessary.

c. In fiscal year 2011, what percentage of appeals to the Veterans Court resulted in an award of EAJA fees?

Response. According to data published in its annual report, the Veterans Court disposed of 4,620 appeals in FY 2011. It awarded EAJA fees in 2,627 appeals. The annual report can be found at: http://www.uscourts.cavc.gov/documents/FY_2011_Annual_Report_FINAL_Feb_29_2012_1PM_.pdf.

d. In the cases for which EAJA fees were awarded, what percentage were attributable to cases in which the Veterans Court remanded the case to VA and what percentage were attributable to cases in which the Veterans Court reversed VA's decision in whole or in part?

Response. Although VA cannot provide the precise number of cases in which the Veterans Court awarded EAJA based upon a reversal vice a remand, it is accurate to say that only a small fraction of EAJA awards were made in appeals involving a reversal. This is because, generally speaking, the Veterans Court disposes of many more cases by remand than by reversal. For example, the Veterans Court's FY 2011 annual report reflects that a total of 1,298 appeals were remanded, whereas only 706 appeals were reversed or vacated and remanded in whole or in part. The FY 2011 annual report also reflects 837 appeals that were affirmed or dismissed in part, reversed/vacated and remanded, in part. We do not believe that this figure, which mixes affirmances with other dispositions, changes the overall dynamic that the Veterans Court tends to issue many more remands than reversals. The annual report can be found at: http://www.uscourts.cavc.gov/documents/FY_2011_Annual_Report_FINAL_Feb_29_2012_1PM_.pdf.

e. If available, please provide any statistics regarding the number of cases that are remanded by the Veterans Court that ultimately result in an award of benefits by VA and the percent of appeals that are remanded by the Veterans Court more than once.

Response. VA does not systematically maintain such statistics. It is worth noting, however, that the law affords a claimant the opportunity on remand to submit additional evidence and present additional arguments to VA. In other words, the record is not closed. Moreover, new statutes, regulations, or binding interpretations of law may take effect while a case is under further development on remand. Therefore, when VA ultimately readjudicates a claim on remand, the legal and factual landscape might be dramatically different than when the claim was initially considered and remanded by the Veterans Court.

f. Please provide any available information or statistics regarding the number of cases in which the attorney who represented the prevailing party before the Veterans Court continues to represent that party before the Board on remand.

Response. VA's best estimate is that the attorney before the Veterans Court (or, at least, the same law firm) will stick with the case on remand to VA in approximately 50 percent of the cases.

g. If there is an award of EAJA fees by the Veterans Court, does VA track which Board member issued the decision that led to that award of EAJA fees? If so, what is done with that information?

Response. VA does not systematically maintain such statistics.

Office of Management

Question 1. According to the fiscal year 2013 budget request, the Office of Management plans to spend $36.5 million on Other Services during fiscal year 2013. Please provide an itemized list of how those funds would be expended.

Response. Of the $36.5 million in 'Other Services,' the majority of these costs ($26.7 million) are for payments to the Defense Finance and Accounting Service (DFAS) for VA's payroll processing. The specific breakdown is as follows:

Of the $36.5 million in Other Services:

A. $30.5 million is from reimbursable authority for the following:

– $26.7 million for payroll processing with the Defense Finance and Accounting Service (DFAS)

– $3.8 million for contracts primarily related to the assessment and remediation of internal controls over financial reporting, as well as for maintenance and repair of equipment.

B. $6 million is requested in budget authority for the following:

– $4.8 million for financial management initiatives, including the Integrated Operating Model (IOM) and Audit Readiness contracts

– $943,000 for recurring annual expenses and Service-Level Agreements (SLAs), including equipment repair and maintenance and payments for services provided by the Franchise Revolving Fund

– $220,000 for training/tuition.

Question 2. According to the fiscal year 2013 budget request, the Office of Management now expects to spend $561,000 on equipment during fiscal year 2012, which is 979% higher than the amount requested for fiscal year 2012 ($52,000), and that office requests $101,000 for equipment for fiscal year 2013. The budget request includes this explanation: "Equipment decreased because onetime expenses in 2012 for office equipment and furniture for new and expanded office space."

a. Please explain what specifically has been or will be purchased during fiscal year 2012 with these funds, the reasons for those purchases, and how that increased funding ($509,000) was originally expected to be spent.

Response. The increased obligations in 2012 are primarily the result of a move of existing staff to a different location and to accommodate staffing increases. The new and reconfigured space required the purchase of additional office equipment, and furniture and fixtures.

A total of $460,000 is for office furniture/fixtures and equipment for the new and expanded office space to accommodate additional hires and space requirements.

Unobligated balances are being used to fund this one-time requirement that originated from the move and expansion of the work force.

b. Please explain when the decision was made to purchase new office equipment and furniture for this office and provide any supporting documentation.

Response. The decision was made in 2011 within the planning and budgetary process.

c. Please provide an explanation of how these funds ($101,000) are expected to be expended during fiscal year 2013.

Response. These funds are budgeted for normal office furniture/fixtures and equipment replacement.

Question 3. The Office of Finance within the Office of Management oversees the financial operations at VA's Debt Management Center.

a. During fiscal year 2012, how much in total is expected to be expended to operate the Debt Management Center and what level of staffing would that funding support?

Response. The DMC is an enterprise center under the VA Franchise Fund, providing common administrative support services to VA and other government agencies on a fee-for-service basis and receives no appropriated funding. Projected reve-

nues in FY 2012 will support $13.6 million in expenditures and a staffing level of 142.

b. For fiscal year 2013, what level of funding is requested to operate the Debt Management Center and what level of staffing would that funding support?

Response. The DMC is an enterprise center under the VA Franchise Fund, providing common administrative support services to VA and other government agencies on a fee-for-service basis and receives no appropriated funding. Projected revenues in FY 2013 will support $16.6 million in expenditures and a staffing level of 155.

c. How many telephone lines does the Debt Management Center currently operate and how many would be operated with the requested level of funding for fiscal year 2013?

Response. We currently have 48 telephone lines (toll free). By FY 2013 we plan to have 72 telephone lines.

d. During fiscal year 2011, how many debts were referred to the Debt Management Center, what was the total value of those debts, and how much did the Debt Management Center recoup?

Response. During FY 2011, 643,505 debts valued at $1.6 billion were referred to the DMC. During the fiscal year, we had collections of $1.3 billion.

e. How many debts are expected to be referred to the Debt Management Center during fiscal year 2012 and 2013?

Response. For FY 2012, we expect $1.45 billion in new debt to be referred to the DMC and $1.48 billion of new debt to be referred to the DMC in FY 2013.

f. Please explain the performance outcomes for the Debt Management Center during fiscal year 2011 and the expected performance outcomes during fiscal year 2012 and 2013.

Response. The DMC has many different measures used to measure performance outcomes. They are dropped-call rate, dollars collected per dollars spent on operations, timeliness of clearing unidentified payments in suspense, timeliness of check processing, timeliness of responses to Congressional inquiries and other correspondence. For FY 2011, DMC met or exceeded all performance standards. We believe we will continue this trend in FY 2012 and 2013.

Office of Human Resources and Administration

Question 1. The VA Office of Human Resources and Administration produced the "VA Organizational Briefing Book, June 2010." Within the handbook there is a chart reflecting the "Organization of the Department of Veterans Affairs." The handbook then discusses the mission, scope, and functions of each subordinate office within VA that is reflected on the chart. Associated with each subordinate office is a chart reflecting the respective organizational make-up. Since this handbook was published in June 2010, there have been a number of office reorganizations.

a. Please provide an up-to-date chart for each office that has undergone any reorganization since the publication of the 2010 handbook. Please note the effective date of the reorganization on the chart, as well as the total FTE (SES/SES Equivalent, GS, career or non-career) assigned to the office as of March 5, 2012.

b. Please identify any offices currently undergoing reorganization and the anticipated completion date for the reorganization.

Response. [These questions appear and were answered in the prehearing responses as Question 24.]

Question 2. In fiscal year 2012, VA requested $3.04 million to continue a "Health and Wellness Initiative" started in fiscal year 2011. In response to questions about VA's fiscal year 2012 budget request asking how effective this program has been in promoting healthier employees, VA responded that "[p]rogram effectiveness measures will be reviewed at six months and at the end of the fiscal year."

Please describe the specific objectives of this program and what benchmarks will be used to measure success. Please provide the Committee with documents assessing the effectiveness of the program.

Response. [These questions appear and were answered in the prehearing responses as Question 32.]

Question 3. Staffing in the Office of Human Resources and Administration increased 80% since 2008. In fact, the fiscal year 2012 budget request includes funding for an additional 204 employees and the fiscal year 2013 budget request would add 40 employees to the Office of Human Resources and Administration.

a. What measures does VA use to determine if additional staff is needed in the Central Office?

Response. Nearly all of the additional staff hired since 2008 was hired beginning in Fiscal Year 2010 to provide support for the Human Capital Investment Plan

(HCIP). These are reimbursable FTE funded by the VA program offices who are receiving the benefits of corporate-wide training and human resources initiatives. HCIP is integral to the VA-wide transformation effort and is designed to support the Secretary of Veterans Affairs' top three priorities: expanding access to benefits and services, eliminating the disability claims backlog and ending Veteran homelessness. The program seeks to ensure that VA employees are appropriately prepared to provide effective services to Veterans by applying new approaches to recruitment, hiring, retention, training and development.

Since FY 2010, staffing levels for the VA's HCIP program were predicated upon workforce planning estimates for each initiative as they were rolled out. Independent government cost estimates are developed for each initiative that include the number of FTE needed to properly award and monitor contracts, test and deliver programs and products, and to evaluate how the HCIP initiatives achieve their intended purpose. Workforce estimates are compared to historical FTE usage as well as reviewed by an independent verification and validation contractor to ensure that the FTE allocation supports the completion of the initiative within time and budget constraints. It should be noted that a percentage of the staffing needs have been met by obtaining temporary contractor support and taking advantage of the Office of Personnel Management's capacity to provide affordable training through its established programs, thereby maintaining FTE levels below what would otherwise have been required for a program of this scope.

The additional resources and FTEs supporting HCIP have been dedicated to human capital management programs that include:

- Creation of a new Veterans Employment Services Office (VESO) and the VA for Vets program dedicated to increasing the number of Veterans in the VA workforce. VESO has created a robust military skills translator for the VA's online Career Center. This translator has been so effective that it is now being deployed across multiple Federal agencies. In FY 2012, VESO also hosted a series of job fairs during which 8,000 Veterans were interviewed and approximately 2,000 received job offers.
- New hiring reform process to improve the efficiency of efforts to bring new employees to the VA. VA decreased the average time to hire new employees from more than 120 days in 2009 to about 70 days today
- Increased Learning Opportunities through VA's Learning University (VALU), providing career, technical and other training using a corporate approach and a new centralized Training Management System. Providing Training to approximately 140,000 VA professionals each year.
- Creating mission-ready leadership under the auspices of VALU and VA's new Corporate Senior Executive Management Office (CSEMO). VA entirely revamped the SES management system into an effective tool for developing strategic leaders to provide the best possible care and service to Veterans.
- Improving the capacity for handling conflict management within the Department via an expanded Workplace Alternative Dispute Resolution (ADR) program. This resulted in an increase in ADR participation from 45 percent in 2008 to 56 percent today for the purpose of addressing discrimination complaints and grievances. The estimated cost avoidance for this program is $90 million a year.

Beginning in FY 2011, a prioritization process was put in place to identify the best use of HCIP funds. Evaluation criteria were developed and each factor was clearly defined to ensure consistent application across projects.

As in previous years since the inception of HCIP, criteria for measuring outcomes will be applied to the FY 2013 initiatives. In 2013, special focus will be placed on:

- completing projects begun in FY 2011 and FY 2012;
- revising and establishing projects that have immediate, tangible and measurable impact on the services provided to Veterans;
- addressing needs associated with mandates, statutes, directive, findings or other documented deficiencies; and
- establishing projects that closely align with overall VA/HRA transformation priorities.

b. How will these additional staff in the Office of Human Resources and Administration directly benefit veterans?

Response. As stated in question 3a, one of the most heavily weighted criteria for approving an initiative is its ability to have immediate, tangible and measurable impact on the services provided to Veterans. Programs that increase staff productivity allow VA to more quickly address the needs of Veterans. Training that improves competencies in the areas of human resources, financial management, project management, acquisition and information technology (IT) certification allows VA to provide an improved level of service to Veterans. Programs developed and administered by the Veterans Employment Services Office, which includes the VA for VETS pro-

gram (created to facilitate the reintegration, retention and hiring of Veteran employees at VA: http://vaforvets.va.gov/Pages/default.aspx), provide the means for Veterans to translate the skills acquired in military service to marketable skills for civilian employment. Alternative dispute resolution programs have a substantive return on investment, allowing government funds to be directed to Veterans programs instead of adjudicating employee grievances.

Question 4. According to the Congressional Research Service, in 2009 VA made payments totaling nearly $180 million to the Department of Labor (DOL) to cover benefits paid to employees receiving workers' compensation under the Federal Employees' Compensation Act (FECA).

a. How many current VA employees are on workers' compensation? Please detail this information by the three major administrations (National Cemetery Administration (NCA), VHA, and VBA).

Response. Under FECA, the Department of Labor's Office of Workers' Compensation Programs (DOL OWCP) identifies costs in Chargeback Years (CBY) (July 1 to June 30). The period covered by the Chargeback Year is different from that covered by the fiscal year. The DOL Chargeback Year quarters are broken out as follows:

Q–1 = July–September
Q–2 = October–December
Q–3 = January–March
Q–4 = April–June

CBY 2011 (7/1/2010—6/30/3011), the most recent complete year of data, provides a representative picture of all cases actively receiving compensation or medical benefits through DOL OWCP. The number of VA cases was as follows:

NCA: 87 cases receiving compensation; 253 cases receiving medical benefits
VHA: 5,604 cases receiving compensation; 15,269 cases receiving medical benefits
VBA: 59 cases receiving compensation; 205 cases receiving medical benefits.

b. What is the average amount of time employees on workers' compensation receive payments prior to returning to work?

Response. These data are not centrally tracked. Time spent on workers' compensation depends on the type/degree of injury, and is the exclusive responsibility of DOL OWCP.

Question 5. The DOL Office of Workers' Compensation Programs (OWCP) provides all Federal agencies a quarterly estimate of the cost of workers compensation benefits. OWCP also sends each agency a yearly statement of FECA costs for the previous fiscal year.

a. What was the total amount of FECA costs for fiscal years 2010 and 2011 as provided by OWCP, and what was the estimate for costs in the first quarter of fiscal year 2012?

Response. CBY 2010, the cost was $182,212,380; for CBY 2011, the cost was $186,254,136. For CBY 2012, the cost was $200,569,180. CBY 2012 figures include an additional 28 day compensation payment (14 for the year, rather than the normal 13), as happens approximately every 22 years due to distributing a fixed payment cycle over an odd number of days in a year (a "leap payment," if you will). Without this payment, VA costs would have been approximately 10 percent lower than the figure shown, or a slight decrease from the 2011 CBY total.

b. For each administration, please provide the amounts VA is requesting for FECA payments in fiscal year 2013.

Response. DOL administers payment of expenses and provides VA a bill following the close of the CBY on June 30 of each year. The amount requested in the FY 2013 VA budget is $186,241,385 as depicted by the table below:

	CBY 2013
Veterans Health Administration (VHA):	
Medical Care (Program)	$170,784,655
Medical Services	124,488,213
Medical Facilities	16,075,676
Medical Support and Compliance	30,220,766
Medical and Prosthetic Research	2,359,307
Total—VHA	173,143,962
Veterans Canteen Service	1,679,124
Veterans Benefits Administration	5,249,866

	CBY 2013
National Cemetery Administration	2,642,975
Board of Veterans' Appeals	52,788
Information Technology	1,970,303
Administration:	
General Operating Expenses (Staff Offices)	747,277
Inspector General (IG)	195,308
Facilities (Construction)	623
Supply Fund	252,934
Franchise Fund	306,225
Total—Administration	1,502,367
FY Total VA Chargeback	$186,241,385

Question 6. VA's oversight of FECA claims is provided by staff at individual facilities. Specifically, these offices are charged with implementing the VA workers' compensation strategic plan with the goal of returning employees to work.

a. Does VA currently perform audits of individual workers' compensation cases to evaluate their accuracy and management?

Response. VA performs such audits periodically. In FY 2012, VA's Office of Inspector General (OIG) concluded an audit of VHA's workers' compensation case management, available at http://www.va.gov/oig/pubs/VAOIG–10–03850–298.pdf. See the answer to 6b for an update on the actions VA has taken in response to this report.

b. What oversight apparatus is in place to monitor workers' compensation management at local facilities?

Response. HRA has conducted follow-up reviews and training in response to the OIG's findings.

Before the OIG's report was issued on September 30, 2011, on August 18, 2011, the Assistant Secretary for Human Resources and Administration (A/S HRA) issued a memo requiring a complete review of all Return to Work (RTW) cases where the employee had been identified as having work capacity but had not RTW. A complete review was conducted and completed in April 2012. The response to this memo led to a reduction of 11 percent in such cases and greater emphasis in this area of program management. The memo raised facility leadership awareness to this specific element of workers' compensation (WC) case management. Directors were required to obtain responses/information on specific WC cases that had not benefited from proper case management techniques. The memo led to the review and identification of poor case management confirming recent OIG findings of VHA program management. As noted, while the OIG report focused on VHA, the lessons learned were applied across the Department more broadly. A/S HRA's memo resulted in near term improved attention to specific cases. To further increase awareness, WC data is included in the Monthly Performance Report and reviewed by senior leadership. VA's Office of Occupational Safety and Health has provided and is planning face-to-face training in WC case management—a complex field requiring significant technical competence.

c. Please detail by administration what programs or initiatives are in place to limit workplace incidents that lead to workers' compensation claims.

Response. Under the Department's safety policy (Directive 7700) and strategic plan each Administration has developed safety programs and guidebooks to address their individual needs. This material is posted at www.va.gov/vasafety. VA's Safety Steering Committee (SSC) is another facet of the VA Safety and Health program, designed to reduce and correct potential hazards before they occur. The SSC membership consists of representatives of all three Administrations, key offices and five labor unions within the VA.

NCA: NCA Directive 7700 (dated January 24, 2011), Occupational Safety and Health, defines policies and responsibilities of NCA's comprehensive occupational safety and health program. NCA's approach is characterized by four basic elements: Management Leadership/Employee Involvement; Worksite Analysis; Hazard Prevention/Control; and Safety/Health training. Annual workplace evaluations are conducted by VHA; findings and deficiencies are identified; and abatement actions are tracked through completion.

VHA: VHA Directive 7701 (dated August 9, 2012), Occupational Safety and Health, defines policies and responsibilities of VHA's comprehensive occupational safety and health program. VHA's Occupational Safety and Health training program emphasizes employee skill and understanding in hazard recognition, standard proce-

dures, best practices and emerging issues. Medical center employees receive initial and annual OSHA compliance training based on job classification and supervisor assignments. Annual workplace evaluations are conducted at all VHA facilities, deficiencies are identified and the safety and health compliance programs evaluated. All findings and deficiencies are tracked through abatement.

VBA: VBA Directive 7700, (dated March, 2010) Occupational Safety and Health, defines policies and responsibilities of VBA's comprehensive occupational safety and health program. VBA's approach to maintaining a safe and healthful work environment for employees is to minimize safety and health hazards through the development of safe work practices and employee training. Annual workplace evaluations are conducted and deficiencies are identified for correction.

Question 7. For fiscal year 2013, the Office of Human Resources and Administration is requesting $303 million for Other Services. Please provide a detailed itemized list of how those funds are expected to be spent. To the extent any of the funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. In fiscal year 2013, it is expected that costs for contracts associated with HCIP will be on par with the amount projected to be spent in FY 2012, which is approximately $ 242 million. As previously mentioned, HCIP is part of the effort to transform the VA workforce to better serve Veterans in the 21st century. Contracts are awarded to provide training in the areas of executive and leadership training, program and project management, human resources reform, IT certification and financial management.

HCIP has been evaluated using industry standards for best practices by an external auditing firm (Deloitte) and VA's National Center for Organizational Development.

HCIP training realized a significant return on investment for FY 2010 and FY 2011. For example, HCIP training contributed to a $3.6 million cost avoidance associated with a reduction in Informal EEO Complaints.

A breakdown of our current estimated FY 2013 contract costs of $253.4 million is included below. The decrease in contract costs from the FY 2013 budget amount of $303 million is associated with the Human Resources Information System (HRIS). HRIS was originally included in a reimbursable program in the FY 2013 President's budget, however legal reviews delayed award of the HRIS development contract such that HRIS deployment is not expected to be completed in time to begin collecting reimbursements for operations in FY 2013. Instead, HRIS reimbursements will be collected in FY 2014.

Current Estimated FY 2013 Contract Costs

Office	Contract Description	Cost (in Millions)
Human Capital Investment Program	Training and Transformation Initiatives	$242.3
Office of Resolution Management (EEO complaint Processing)	Contracts for Investigation of EEO complaints, Court Transcription Services	$3.7
Administration	Contracts with Other Government Agencies for Mailroom Operations, Employee Health Unit and Employee Fitness Center	$3
Office of Human Resources and Administration	Child Care Subsidies	$4
Miscellaneous	Individual training, copier and equipment maintenance and other contracts	$0.4
Total		$253.4

The miscellaneous contract costs comprise routine equipment and system maintenance costs, internal reimbursements for IT costs, financial transaction processing, and individual training requests.

Question 8. According to the fiscal year 2013 budget request, the Office of Human Resources and Administration plans to spend $21,955,000 on travel during fiscal year 2012 and requests $22,231,000 for travel during fiscal year 2013.

a. To date, how many employees have traveled during fiscal year 2012 and what was the average cost per trip?

b. In total, how many employees are now expected to travel during fiscal year 2012 and what is the average cost per expected trip?

Response to a and b: The travel budget identified in the HRA chapter in the budget is primarily for travel provided for Human Capital Improvement Plan (HCIP) programs. The HCIP was initiated to transform the VA workforce to better meet the needs of a changing Veteran population.

HCIP allocates most of its travel funds for training programs conducted by the VA Learning University (VALU). VALU provides training on a corporate level in the areas of leadership development, competency improvement, and technical training. These training courses are provided to all VA employees, not just HRA employees. VALU, through its HCIP funding, covers the cost not only of the training but all travel costs associated with attendance at the training. Travel associated with HCIP-funded, VALU-sponsored training is tracked separately in the travel management system from all other HRA travel and therefore is listed separately from other HRA travel in the tables below.

Additional HCIP programs are also allocated funds for travel associated with special events such as Veterans Employment Hiring Fairs held at various locations throughout the country.

Other travel not associated with HCIP, but included in the HRA budget is for the Office of Resolution Management, which handles the processing of discrimination allegations and conflict resolution for both field and VA Central Office Equal Employment Opportunity-related cases. HRA travel funds also provide reimbursements to other VA offices for travel incurred for attendance at training sessions associated with new union contracts as well as travel associated with normal HRA business.

HRA Travel Costs

($ in millions)

	Actual*	Estimate (Sept)	FY 2012	FY 2013
VALU sponsored travel	$7.7	$1.9	$9.8	$16.1
All other HRA travel not included in VALU totals	$2.6	$0.2	$2.8	$3.6
Total	$10.3	$2.1	$12.6	$19.7

*As of August 21, 2012

OHRA Travel unique number of trips

	Actual*	Estimate (Sept)	FY 2012	FY 2013
VALU sponsored travel	5,803	1,300	7,100	11,473
All other HRA travel not included in VALU totals	1,783	125	1,908	2,600
Total	7,586	1,425	9,008	14,073

*As of August 21, 2012

Average Cost

(whole $)

	FY 2012	FY 2013
VALU sponsored travel	$1,403	$1,403
All other HRA travel not included in VALU totals	$1,356	$1,385
Total	$1,393	$1,400

c. For fiscal year 2013, how many trips is the $22.2 million expected to support?

Response. As a result of VA's overall efforts to find efficiencies and reduce travel and in compliance with the President's Campaign to Cut Waste, HRA's current FY 2013 travel estimate is now $19.7 million. This will support an estimated 14,073 unique travel trips at an average cost of $1,400 per trip. This estimate is subject to revision as new Departmental guidance regarding training conferences is released.

Question 9. According to the fiscal year 2013 budget request, the Office of Human Resources and Administration plans to spend $2.1 million on supplies and materials during fiscal year 2012, which is 29% higher than requested for fiscal year 2012 ($1.6 million), and that office requests $2.1 million for fiscal year 2013 for supplies and materials.

a. Please explain what led to the expected increase in supplies and materials during fiscal year 2012 and how that funding ($475,000) was originally expected to be spent.

Response. In FY 2012, the newly created Veterans Employment Services Office is reaching out to Veterans through the VA for VETS program (http://vaforvets.va.gov/Pages/default.aspx), and conducting Veteran hiring events across the country. These events are heavily attended by Veterans eager to learn more about job opportunities for Veterans at VA. The size and scope of these events necessitates a significant increase in the dollars spent on supplies and materials. Educational and informational materials are made available to all Veterans who attend the hiring events. HRA strives to fulfill its fiduciary responsibilities by limiting expenditures on supplies and materials to those items essential to meeting the goals and objectives of HCIP. In keeping with the President's Executive Order 13589, *Promoting Efficient Spending*, the Office is currently investigating ways to effectively deliver its programs while reducing the amount spent on supplies and materials.

b. Please provide an explanation of how these funds are expected to be expended during fiscal year 2012 and fiscal year 2013.

Response. Most of the supply and material funds will be used in conjunction with conducting training courses, and for educational and informational brochures for Veterans programs.

Question 10. In connection with VA's fiscal year 2012 budget request, the Office of Human Resources and Administration indicated that it expected to spend $9.5 million during fiscal year 2012 on a "Corporate Senior Executive Management Office."

a. Currently, how many VA employees or contractors perform work for this office?

Response. As of May 22, 2012, there are 27 Federal employees currently in the Corporate Senior Executive Management Office (CSEMO).

As part of the VA's Human Capital Investment Plan, CSEMO initiated projects that are part of an enterprise-wide transformational initiative designed to develop the VA's human capital into a proactive, forward looking, and professional workforce that will provide improved service to Veterans in the 21st century. Some of these projects are supported via contracts. None of the contracts is tied to specific numbers of individuals.

b. What performance metrics are used to gauge whether this office is effective?

Response. Secretary Shinseki centralized the lifecycle management of VA's executive cadre and established CSEMO in October 2009. CSEMO began operations in 2010. Since the stand up of CSEMO VA has greatly improved the fairness and credibility of our processes and policies for hiring, developing and compensating executives. Responsibilities include administering VA's Senior Executive recruitment process, minimizing the time positions remain vacant, onboarding new executives, administering programs for performance management, incentives, talent management, and taking appropriate action to reduce turnover. These responsibilities drive CSEMO's performance metrics: time it takes to fill positions, percent of positions filled, hiring sources (internal, external), number of applicants, and performance rating distributions.

c. In terms of those performance metrics, what outcomes has this office achieved to date and what outcomes is it expected to achieve by the end of fiscal year 2012?

Response.

Recruitment process. VA continues to streamline the entire SES recruitment process all to improve our service to Veterans. VA's process is automated, efficient, and collaborative, and is considered a model for other department and agencies to emulate. VA is proactive in recruiting senior executives to fill anticipated vacancies, ultimately reducing the amount of time the positions are vacant. In support of the President's Hiring Reform Initiative, VA was one of the first Departments to aggressively implement the "resume only" recruitment process that eliminates the requirement for applicants to submit lengthy narratives for employment consideration. This process makes it easier for those outside government to apply for executive positions and encourages a more diverse applicant pool; the process and tools VA developed in this regard have been shared with other agencies as a best practice. In July 2010, VA centralized the Executive Resources Board (ERB) process for conducting the merit staffing process for initial career appointment to the SES, eliminating multiple Boards that functioned independently. With this staffing process, the ERBs meet virtually, each member working independently online. This process too is being reviewed by other agencies for adoption. VA takes advantage of the opportunity to hire from other agencies current executives with proven records of success. VA has sharpened its qualifications requirements to ensure we are not emphasizing agency-related experience to the detriment of well qualified candidates from outside VA. VA

is committed to diversity in the broadest sense by attracting executive talent with strong executive qualifications including minorities, women, individuals with disabilities, from within VA, outside VA, and outside the government. CSEMO is further improving its internal system through the development of a database to improve tracking recruitment processes and to more efficiently produce related reports and metrics.

Fill rate. CSEMO actively works to fill VA's SES positions, to include proactively recruiting for projected vacancies. The goal is to have a fill rate of 95 percent. As of May 22, 2012, VA is at 92 percent. The improved recruitment process has streamlined hiring and enabled CSEMO to move closer to its goal and ensure VA hires the right person for the right job at the right time—all so that we can continue to fulfill the Department's mission to care for our Nation's Veterans, their families and survivors.

Onboarding. Executive onboarding is the process of integrating and accelerating the contribution of new leaders into VA. Research shows that the absence of a systematic onboarding process can derail the new hire experience for the vast majority of executives. VA was 1 of 7 agencies to pilot OPM's Executive Onboarding Framework that was recommended to the President's Management Council (PMC) for governmentwide implementation. In alignment with the PMC's Career Development Initiative and in support of VA's strategic mission and the Secretary's Transformation Initiatives, in January 2011, CSEMO launched an 18-month Executive Onboarding Program, in which each senior executive participates in a range of transition activities which include training and developmental programs. This structured onboarding program helps senior executives build leadership capabilities, establish networks and relationships, gain knowledge and insight of the organizational structure and achieve executive success. The goals of onboarding are to welcome new executives and minimize the time required for executives to become productive in their agency, organization and new position and to prepare them to be successful senior executives. VA provides a robust orientation for new executives to foster an understanding of VA and its governance process, and to communicate the strategic vision and direction of the agency. CSEMO will soon automate portions of the onboarding process to streamline the program. As part of the overall onboarding program, CSEMO launched its one-on-one executive coaching program to help improve new executives' organizational performance, job satisfaction, retention, and resolve disputes between employees. In March 2011, VA launched its Senior Executive Strategic Leadership Course. It is specifically designed to use executive education as a driving force to lead change for VA. This is a 5‡-day course through which executives learn key content and insight, participate in simulations and group activities, and work on designated VA challenges for potential implementation. The course addresses strategic leadership and working across functional and organizational lines to improve service delivery to Veterans.

Performance Management. Performance management is a continuous process of identifying, measuring, and developing the performance of organization members and aligning performance with the strategic goals of the organization. Components of an effective executive-level performance management system include goal setting, performance feedback, and training designed to maximize employee, leader, and organizational performance. Since 2010, CSEMO has driven a re-engineering effort to improve executive performance management and to hold executives accountable for organizational performance through monthly reviews, quarterly initiative assessments, and on-going training opportunities. In the last two years, the Department has made significant improvements to ensure the program is credible, transparent, and consistent with law and regulation. VA implemented fiscal year (FY) 2011 changes and is implementing new Government-wide improvements in FY 2012.

Incentives. VA is improving its incentives program (recruitment, relocation, retention), including strengthening its control mechanisms and program oversight, and ensuring that each justification fully supports the incentive. CSEMO has oversight of VA's incentive program for Senior Executives. VA has been engaged in a thorough review of its incentive program which has resulted in greatly strengthened processes, control mechanisms, and program oversight.

Talent Management. VA is developing an executive talent management system through which the Department will assess its current executives against VA's highest missions and priorities. The Department is committed to attracting highly-skilled executives, developing and retaining them given the dynamic "war for talent" environment. CSEMO's Senior Executive Talent Management program is a deliberate process through which VA will build the capacity to achieve mission and organizational goals with the right talent, in the right place, at the right time, and close talent gaps through a systematic process that integrates each element of the career lifecycle. Successful talent and succession management are critical to VA's ability

to transform into a 21st Century organization focused on our Nation's Veterans as its clients.

Senior Executive Collaborative Web site. VA launched an executive collaborative Web site in 2011 to enhance communication among VA's executives. This tool helps break down silos and stovepipes in VA in order to improve service delivery to Veterans, and promotes idea sharing/problem solving among our executives. In addition to delivering timely, valuable information, it enhances networking, knowledge sharing and collaboration. The Web site provides senior executives an opportunity to share with their peers ideas, knowledge, and best practices.

Turnover and Retention. Great emphasis is placed on hiring and retaining the best executives for VA's critical positions. In some cases these executives came from managing large organizations or programs successfully in the private sector. Those same skills and experiences are needed to manage our large organizations, medical centers, or resource intensive programs such as the Post-9/11 GI Bill. In 2011, CSEMO implemented several programs that are expected to reduce SES turnover and enhance retention by improving candidate job fit, orientation and on-boarding processes, timeliness and quality of performance feedback, and training and development. Continued improvement of recruitment, onboarding, training, and development activities will lead to reduced SES voluntary resignations, particularly among SES staff new to VA (i.e., low tenure), as well as shifts in SES retention associated with changes in Federal administrations. Continued improvement of SES performance management systems and training will also improve the ability to track retention rates by performance.

d. For fiscal year 2013, how much is requested for this office and what outcomes are expected to be achieved with that level of funding?

Response. CSEMO's requested budget for FY 2013 is $10.4 million. This funding will enable CSEMO to maintain and improve the systems and processes in place, including strong program management and oversight, and to implement new initiatives as needed. Among those are: improvements to VA's Executive Onboarding Program to ensure success for all senior executives and to better enable them to think and act strategically, continued development of automated talent management system for talent and succession management, continuing leader development, enhancements to the Senior Executive Collaborative Web site to provide even better communication efforts among VA's executives, and development of an integrated automation system to tie CSEMO's different programs together. The funding requested in the FY 2013 budget will continue to enable and enhance CSEMO's mission to provide oversight of VA's senior executive management program and to develop strong executive life cycle management all to improve the programs and benefits provided to our Veterans.

Question 11. In connection with VA's fiscal year 2012 budget request, the Office of Human Resources and Administration indicated that it expected to spend $4.3 million during fiscal year 2012 on a "leadership infusion" initiative, which was described as "procur[ing] seats in pre-designed and custom leadership and management training programs."

a. During fiscal year 2012, how many individuals have received or are expected to receive training through this initiative and what is the expected cost per training activity?

Response. The Leadership Infusion Program is a partnership with the Office of Personnel Management (OPM) which provides seats in its open-enrollment leadership programs, as well as custom programs for VA offices. For more than 45 years, OPM has trained Federal managers, executives, and employees to be effective Government leaders. VA seeks to provide training for its more than 70,000 managers and supervisors, as well as to aspiring leaders at all levels to ensure leadership ability is assessed, trained and evaluated throughout an employees' life cycle within VA. The training addresses contemporary leadership challenges through a perspective of public service and Constitutional values.

The Leadership Infusion Program is designed to augment the curriculum of existing VA leadership development programs and to provide developmental opportunities for those VA employees with robust Individual Development Plans. OPM programs are designed for employees at the GS 9 level and above, is competency driven, and linked to VA's new leadership competency model.

b. Who is responsible for determining what training courses an individual should attend?

Response. An individual's supervisor is responsible for identifying the training program in accordance with an approved Individual Development Plan. Additionally, some of the programs are being offered as part of the curriculum in VA's leadership development programs, where employees were competitively selected to take

part in the program. These courses include Leadership VA, Leadership in a Democratic Society offered by Federal Executive Institute, the Aspiring Leader Program, and others.

c. What metrics are used to determine whether these training activities are effective?

Response. A comprehensive training evaluation is completed by each employee following each session that provides a detailed report measuring the following: satisfaction, learning effectiveness, job impact, business results, and return-on-investment. This evaluation model, also known as the "Kirkpatrick" model, is recognized in the training industry as the accepted best practice for program evaluation.

d. How do these training activities differ from training offered through other VA training initiatives?

Response. These programs are generally 3–5 days in length and most are offered as an interagency training, where employees from a number of Federal agencies are taking the programs at one of OPM's Management Development Centers. Additionally, these programs are also associated with a governmentwide leadership certification process. The other initiatives are delivering training to VA employees only, and are not currently linked to certification.

e. For fiscal year 2013, how much in total is requested for purposes of this initiative, how many individuals are expected to attend training through this initiative, what is the expected average cost per training activity, and what outcomes are expected to be achieved through these training activities?

Response. The request for FY 2013 is $2.04 million. VA Learning University (VALU) anticipates delivering the open-enrollment programs through OPM's Management Development Centers, as well as custom offerings for various VA departments. The funding will allow VA to train approximately 600 employees at a cost of $3,500 per one week program. Please see the responses to Questions 12, a–c, for the anticipated outcomes.

Question 12. In connection with VA's fiscal year 2012 budget request, the Office of Human Resources and Administration indicated that it expected to spend $30.5 million during fiscal year 2012 on a "Basic/Advanced Supervisory Management Training" initiative.

a. During fiscal year 2012, how many individuals are expected to receive training through this initiative and what is the expected cost per training activity?

Response. A high-performance workforce ensures a fiscally responsible organization dedicated to serving Veterans and their families. It is vitally important to establish and maintain programs to educate supervisors on a range of common managerial issues, including developing and discussing goals with employees, mentoring programs, communicating about progress and conducting performance appraisals.

There are a number of tasks associated with this initiative, to include the development of online training for new supervisors, and a leadership portal that will serve as a collaborative space for supervisors, managers and aspiring leaders, as well as a repository of resources, in addition to development and implementation of VALU's leadership development programs. The supervisory training task is designed to support approximately 70,000 VA supervisors and managers. The instructor-led training is intended to deliver 2,000 training instances per month, while the leadership portal allows for a total of 70,000 licenses to be utilized to meet the demand. The candidacy-based leadership development programs are of varying sizes, from 50–80 per cohort, and include an online component for hundreds more. The cost for the task linked specifically to enterprise-wide, face-to-face and Webinar training delivery is approximately $10 million dollars for training of approximately 23,000 VA employees at an average cost of $800 per employee for face-to-face training, and $115 per student for webinars. Additionally, the funding in this initiative covers evaluation across all of VALU's training initiatives.

b. What metrics are used to determine whether these training activities are effective?

Response. A comprehensive training evaluation was designed to measure effectiveness and is used consistently across all VA's training initiatives. The evaluation measures:

- Training Effectiveness.
- Learner Reaction: Percentage of learners who respond favorably to the following aspects of training:
  - Content relevancy;
  - Instructor effectiveness;
  - Performance improvement;
  - Overall satisfaction; and

– Recommendation likelihood.

- Learning Gain: Average knowledge gain among the learner population.
- Behavior Change Among Learners:

– Percentage of supervisor who assessed behavior change among the learner population; and

– Percentage of learners who self-assessed behavior change.

- Organizational Impact: The change in organizational performance as a result of training.
- Return on Investment: The monetary return or gain for initial training investments.
- Quality Control and Training Program Management.
- Training Course Comprehensiveness.
- Percentage of VA occupations covered by training.
- Evaluation Data Collection Rates for Training Owners and
- Quality: VA Learning University's quality standards guide and approach.

c. How do these training activities differ from training offered through other VA training initiatives?

Response. These training activities are designed specifically for VA supervisors, managers and aspiring leaders, where curricula have been linked to VA's leadership competency model. The other initiatives are linked to other technical and/or core competencies, and designed for varying target populations.

d. For fiscal year 2013, how much in total is requested for purposes of this initiative, how many individuals are expected to attend training through this initiative, what is the expected average cost per training activity, and what outcomes are expected to be achieved through these training activities?

Response. For FY 2013 $32 million is requested, to include ongoing development of the online supervisory training tool, online leadership development portal, VALU's leadership development programs, in addition to the instructor-led training via classroom and Webinar. These tools offer the potential to reach 70,000 employees via the leadership portal and supervisory training, and approximately 2,000 employees per month in the classroom and Webinar training, at an average cost per course of $800 per employee for face-to-face training, and $115 per student for webinars. Please see the responses to Questions 12, a–c, for the anticipated outcomes.

Question 13. In connection with VA's fiscal year 2012 budget request, the Office of Human Resources and Administration indicated that it expected to spend $10 million during fiscal year 2012 on a "Transformational Leadership" initiative.

a. During fiscal year 2012, how many individuals are expected to receive training through this initiative and what is the expected cost per training activity?

Response. VALU's Transformational Leadership Curriculum and its components are focused on change management, change leadership and executive development. All courses offered provide practical skills in leading change and creating a culture that embraces and appropriately manages change and the change initiatives established for an organization. In addition to traditional classroom or on-line coursework on change management, this program also allows an organization to target the leadership team, or the organization as a whole, for joint training and teambuilding to focus on its change initiatives and develop a program for executive, leadership, and staff to assist in implementing change on initiatives identified by that organization. These joint trainings, called Change Academies, drive change in local organization-specific areas in support of the major initiatives identified in VA's Strategic Plan.

There are several different offerings through the VA Transformational Leadership Curriculum. These have been broken down by type of offering and the anticipated number of participants through September 30, 2012.

1. Video series—4 videos—complements the management book "*Switch: How to Change Things When Change is Hard*" by providing another mode of learning as VA institutes a common language with which to understand change and change management; costs go down with each completion

a. approximately 30,000 completions

b. estimated $4.00 per completion

2. E-learning courses—three courses in Veterans Advocacy curriculum were completed in July 2012. VA owns the courses, relevant for a long period of time, cost reduced with each completion—no costs for these courses in future years.

a. approximately 20,000 completions

b. estimated $20.00 per completion

3. Webinars—currently 8 webinars in our catalog—costs include facilitator and producer plus web connection fees

a. approximately 852 completions
b. estimated $117 per completion

4. Instructor-led training (24 courses in the catalog)—costs include venue, facilitator, materials and facilitator travel
a. approximately 4650 completions
b. estimated $165 per completion

5. Instructor-led training (Change Academy)—VA customized events, costs include program administration, design, venue, facilitators, materials and facilitator travel (costs include 5 day executive level design and implementation)
a. approximately 3000 completions
b. estimated $2000 per completion

6. Executive level training (externally provided)—University of North Carolina (UNC) Kenan-Flagler School—costs include program costs for UNC only
a. approximately 388 completions
b. estimated $6200 per completion

b. What metrics are used to determine whether these training activities are effective?

Response. The Transformational Leadership Curriculum conducts level 1 and level 2 Kirkpatrick evaluations of all training. In addition, we participate in level 3 and level 4 Kirkpatrick evaluations conducted by an independent contractor through VALU. All materials are evaluated periodically to ensure continued instructional soundness and currency of the materials. All training has been mapped to VA's competencies. Results of all evaluations are reported weekly and a semi-annual report is prepared for specific aspects of the program.

c. How do these training activities differ from training offered through other VA training initiatives?

Response. As stated earlier, VALU's Transformational Leadership Curriculum and its components are focused on change management, change leadership and executive development. All courses offered provide practical skills in leading change and creating a culture that embraces and appropriately manages change and the change initiatives established for an organization. This program is unique in that it also provides a customization option through the Change Academies that allow a specific organization to focus on their change initiatives and develop a program for executives, leadership and staff that will assist in the implementation of change based on local initiatives that support the major VA initiatives identified in VA's Strategic Plan.

d. For fiscal year 2013, how much in total is requested for purposes of this initiative, how many individuals are expected to attend training through this initiative, what is the expected average cost per training activity, and what outcomes are expected to be achieved through these training activities?

Response.

FY 13 Training Activity	Estimated Number of Participants	Estimated Avg. Cost Per Activity	Estimated FY 13 Total Cost Per Activity	Expected Outcomes
Video Series	30,000	$2	$60,000	This video series is customized to VA and will result in an increased understanding of VA best practices in change management in support of the transformational initiatives that serve our Veterans. Video series is used in conjunction with Change Academies and other Transformational Leadership training.
E-Learning	20,000	$15	$300,000	e-learning courses are custom designed to meet the needs of VA and cover topics such as Veterans Advocacy, the history of Veterans Benefits, etc. The outcomes will increase awareness of Veterans issues and the culture of serving Veterans. As the number of participants grows, the cost per activity decreases.

FY 13 Training Activity	Estimated Number of Participants	Estimated Avg. Cost Per Activity	Estimated FY 13 Total Cost Per Activity	Expected Outcomes
Webinars	900	$120	$108,000	Webinars span a series of 8 topics that are delivered using technology. Topics are all in support of theory and best practices around Change Management and transforming an organization. The outcomes will be increased ability to appropriately lead and manage VA's change initiatives.
Instructor-Led Training	4,880	$165	$805,200	The ILT courses provide practical skills and application in change management. The projected outcomes from these courses are increased ability of VA leadership to lead change efforts, create a culture that embraces change, and better management of VA's change initiatives.
Change Academy	3,250	$1850	$6,012,500	Change Academies are customized to the change efforts for a particular group or facility. These hands-on sessions provide the group the opportunity to focus on their change initiatives and develop plans and programs for executives, leadership and staff that will assist in the implementation of change. The outcomes vary depending on the need, but generally include fully developed change management strategies, communication, and implementation plans. Includes Executive Level design and implementation.
UNC Kenan Flagler School	100	$6200	$620,000	The UNC Kenan Flagler business school offers a leadership immersion course for senior leaders. The outcomes from this course include development of critical leadership skills including self-awareness, conflict management, power and influence, motivation, delegation, empowerment, and team leadership. All VA SES's training completed by end of FY 2012. On-going training established for newly assigned SES employees.
Total Estimated Cost			$7,905,700	

Office of Policy and Planning

Question 1. The fiscal year 2013 budget request includes $8.4 million to be spent on Other Services by the Office of Policy and Planning. Please provide a specific itemized list of how these funds would be spent. To the extent any of these funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. Of the $8.4 million, $8.2 million will be used for the contracts listed below and the remaining $200,000 will be used to fund training and VA franchise fund activities.

• The Office of Corporate Analysis and Evaluation will contract for assistance with its analytical work in support of VA's integrated strategy of creating a Department-wide, multiyear programming capability to make data-driven decisions about resource allocation. This includes an interagency agreement with Department of Labor to establish and maintain a programming database. ($2.5 million)

• The Office of Policy will contract for support in developing, analyzing, and reviewing policy issues affecting Veterans, as well as support in developing the strategic plan to implement VA's goals and objectives in accordance with Government Performance and Results Modernization Act of 2010. ($900,000)

• The Office of Data Governance and Analysis will contract for assistance with data analysis and governance to assist programs, operations, and procedures, as well as inform VA-wide decisionmaking. ($1.4 million)

• The enterprise Program Management Office will contract for support in executing the Department's major transformational initiatives while developing Department-wide program management standards and doctrine. ($3.2 million)

• Contract support will also be used for emergent studies for policy and strategy; enabling VA senior leaders to make well informed resource allocation and policy decisions based on verifiable data, sound analysis, and validated strategic projections. ($200,000)

Question 2. For fiscal year 2013, the budget request includes over $26 million for the Office of Policy and Planning and would support 117 employees. For each office within the Office of Policy and Planning, please identify the positions and pay-grades for employees that would be assigned to that office during fiscal year 2012 and fiscal year 2013 and the number of contractors that are expected to be assigned to each such office.

Response. The list below of offices, and positions and pay-grades assigned to that office, covers both fiscal 2012 and fiscal 2013. OPP's contracts are firm fixed price and dictate outcomes, not the number of employees assigned to the project.

HEADQUARTERS/OPERATIONS	
Assistant Secretary	
Program support	GS-11
Principal Deputy Assistant Secretary	SES
Program support	GS-11
Executive Assistant	GS-15
Communication analyst	GS-9
Senior policy advisor	GS-15
Director	GS-15
Human capital manager	GS-14
Budget analyst	GS-9
Administrative officer	GS-12
OFFICE OF VA/DOD COLLABORATION	
Executive director	SES
Program support	GS-11
VA/DOD Integrated Disability Evaluation Service	
Deputy Director	GS-15
Management analyst	GS-14
Management analyst	GS-13
Joint Executive Council/Senior Oversight Committee Service	
Deputy Director	GS-15
Special assistant	GS-15
Management analyst	GS-14 (X 5)
Junior management analyst	GS-7
Student career intern	GS-7
CORPORATE ANALYSIS AND EVALUATION	
Executive Director	SES
Analysis and Evaluation Service	
Director	GS-15
Operation researchers	GS-14 (X 6)
Programming Service	
Director	GS-15
Budget analyst	GS-14 (X 2)
Management analyst	GS-14
Operation researcher	GS-14
Student career intern	GS-11
OFFICE OF POLICY	
Deputy Assistant Secretary	SES
Program support	GS-7
Policy Analysis Service	
Director	GS-15
Management analyst	GS-14 (X 2)
Management analyst	GS-11
Management analyst	GS-11/12/13
Student career intern	GS-9
Student career intern	GS-7
Strategic Studies Group	
Director	GS-15
Management analyst	GS-14 (X 2)
Management analyst	GS-9
Student career intern	GS-9

Strategic Planning Service	
Director	GS-15
Management analyst	GS-14 (X 2)
Management analyst	GS-13 (X 2)
Management Analyst	GS-11/12/13 (X 2)
OFFICE OF DATA GOVERNANCE AND ANALYSIS	
Deputy Assistant Secretary	SES
Program support	GS-9
NATIONAL CENTER FOR VETERANS STATISTICS AND ANALYSIS	
Executive Director	SES
Program support	GS-11
Analysis and Statistics Service	
Director	GS-15
Statisticians	GS-14 (X 4)
Management analyst	GS-14 (X 2)
Management analyst	GS-13
Management analyst	GS-12
Student career intern	GS-9
Reports and Information Service	
Director	GS-15
Management analyst	GS-14 (X 3)
Management analyst	GS-13 (X 2)
Management analyst	GS-12
Student Career intern	GS-7
Office of the Actuary	
Chief Actuary	SL
Deputy Chief Actuary	GS-15
Economist	GS-14
Actuaries	GS-14 (X 4)
ENTERPRISE PROGRAM MANAGEMENT OFFICE	
Executive Director	SES
Deputy Director	GS-15
Program support	GS-11
Deployed senior program manager	SES
Program Management Policy Service	
Director	GS-15
Management analyst	GS-14 (X 3)
Management analyst	GS-13 (X 4)
Operational Management Review Service	
Director	GS-15
Management analyst	GS-14 (X 5)
Management analyst	GS-13
Management analyst	GS-11
Resource Management Service	
Director	GS-15
Management analyst	GS-14 (X 4)
Management analyst	GS-13 (X 2)
Management analyst	GS-11

Question 3. In connection with VA's fiscal year 2012 budget request, the Office of Policy and Planning indicated that the Enterprise Program Management Office was incorporated into the Office of Policy and Planning in 2010 and that operating expenses for that office would be paid for through reimbursements from other VA offices.

a. What performance measures are used to gauge whether this office is effective?

Response. In 2011, the OPP revamped its performance measures to create metrics that are relevant and measurable. These updated metrics were introduced in the fiscal year (FY) 2013 budget request. One of these measures specifically applies to the enterprise Program Management Office's (ePMO) mission of developing Department-wide program management standards and doctrine. The measure calculates the percent of Departmental Major Initiatives adhering to the program/project management standards identified.

b. In terms of those metrics, how did the office perform during fiscal year 2011 and how is it projected to perform during fiscal years 2012 and 2013?

Response. As the above performance measures were just introduced in the fiscal 2013 budget, we do not have data for fiscal 2011; however, in fiscal 2011 the ePMO

set the conditions for and implemented a program management framework to begin transforming Department-wide business processes and foster accountability throughout the Department. Significant accomplishments in FY 2011 include:

• As the designated auditor for Department-level transformational programs with an estimated value of $2.6 billion, ePMO conducted detailed execution reviews and "lockdowns" from February through early June to verify contract baselines and build procurement packages for the major initiative (MI) information technology (IT) projects. These efforts resulted in 387 procurement packages being awarded or made actionable, for a total value of $785 million. This amount accounts for 100 percent of the MI IT funded procurements for FY 2011.

• Created requirements and implemented required core program management (PM) supporting documents, including work breakdown structures, integrated master schedules, and risk registers. The establishment of these PM artifacts has resulted in the implementation of a disciplined program management framework within the Department.

• Established a contract change control process to ensure any adjustments are well coordinated across the Department, including the MIs, the Office of Information and Technology (OIT), and the Office of Acquisition Logistics and Construction (OALC).

• Completed an extensive prioritization effort for the FY 2012 MI IT budget by gathering required data on 120 IT projects and guiding the designated voting panel through several rounds of discussion and voting. The process was so successful it has been adopted by the OIT; and is being applied to all internal prioritization needs.

• Created a strategic acquisition framework to guide key phases/decisions for VA programs.

In addition to the performance metric described above, FY 2012 objectives for the ePMO include:

• Establishment and implementation of a comprehensive program assessment tool to gauge program maturity.

• Creation of a well-defined process to establish programs with well-articulated and validated requirements, supported by holistic, transparent, well-understood, and consistently applied program/project management practices.

• Development of comprehensive certification and/or credential requirements for program managers.

• Development and implementation of acquisition program lifecycle doctrine across VA.

• Establishment of requirements development and management doctrine within VA that aligns the VA strategic plan, planning, programming, budgeting, and evaluation process, and enterprise-wide solutions.

• Creation of a comprehensive program management lessons learned and best practices repository.

• Creation of mechanisms to communicate proposed business process improvements to process owners and VA leaders.

• Creation of mechanisms to monitor process and/or business owner implementation of appropriate process improvements.

Question 4. According to VA's Fiscal Year 2011 Performance and Accountability Report, the Office of Policy and Planning "[c]reated a planning, programming, budgeting, and evaluation (PPBE) process, which established a 2012 program baseline; delivered a prototype programming database to demonstrate programming concepts and capabilities; issued integrated programming/budgeting guidance for the 2013–2017 resource cycle; and established a PPBE integration team to ensure synchronization, coordination, and synergy of VA's PPBE efforts."

a. How much was spent for this office to develop a "planning, programming, budgeting, and evaluation * * * process?"

Response. The Office of Corporate Analysis and Evaluation (CAE) is responsible for leading the development of a corporate planning, programming, budgeting, and evaluation (PPBE) process and a multi-year programming capability within VA. In FY 2011, total obligations for CAE were $4.122 million, which included both government FTE and contract support.

b. How many individuals perform work for the "PPBE integration team?"

Response. In FY 2012, within OPP, 14 individuals in CAE work for the PPBE integration team. The same number is expected for FY 2013.

c. What measurable outcomes are attributable to these efforts?

Response. In 2011, the OPP revamped its performance measures to create metrics that are relevant and measurable. These updated metrics were introduced in the FY 2013 budget request. One of these measures specifically applies to CAE's mission

to create a PPBE process. The measure calculates the percentage of VA resource requirements that are aligned to the 5-year program, with clear end-state and outcomes.

d. How much is requested for these purposes for fiscal year 2013?

Response. The FY 2013 request for CAE is $4.575 million, which includes both government FTE and contract support.

Office of Operations, Security, and Preparedness

Question 1. For fiscal year 2013, the Office of Operations, Security, and Preparedness requests $18.5 million and 102 employees. Please provide a list of the positions that would be filled with that funding and the pay-grades for those positions.

Response. The OSP request of $18.5 million is the total budget request for the Office. The personnel services portion of that request is $12.9 million to support 102 FTE.

Series	Grade	Title	Position/Office
SES	ES	Director, Personnel Security and Identity Management	Personnel Security & Identity Management
GS-0080	11	Security Specialist	Personnel Security & Identity Management
GS-0080	12	Security Specialist	Personnel Security & Identity Management
GS-0080	12	Security Specialist	Personnel Security & Identity Management
GS-0080	12/13	Special Security Representative	National Security
GS-0080	12/13	Special Security Representative (ROS)	Contingency Operations
GS-0080	13	Physical Security Specialist	Homeland Security Presidential Directive-12
GS-0080	14	Acting Director/Deputy Director, PSS	Personnel Security & Suitability Service
GS-0080	14	Special Security Officer	National Security
GS-0301	12/13	Emergency Management Spec (Training)	Planning
GS-1811	12/13	Criminal Investigator (Watch officer)	Criminal Investigator
GS-1811	13	Criminal Investigator	Criminal Investigator
GS-1811	13	Criminal Investigator	Criminal Investigator
GS-1811	13	Criminal Investigator	Criminal Investigator
GS-1811	13	Criminal Investigator	Criminal Investigator
GS-1811	13	Criminal Investigator (Watch officer)	Criminal Investigator
GS-1811	13	Criminal Investigator (Watch officer)	Criminal Investigator
GS-1811	14	Chief	Criminal Investigator
GS-1811	15	Director, Police Service	Police Lead
GS-301	11/12/13	Staff Assistant	Special Assistant to the A/S
GS-301	14	Senior Staff Assistant to DAS—Office of Emergency Management (OEM)	Staff Assistant
GS-301	11	Staff Assistant	Operations
GS-301	11	Readiness Operation Spec	Contingency Operations
GS-301	11	Staff Assistant	Support
GS-301	11/12/13	Emergency Management Spec (DHS LNO)	Planning
GS-301	11/12/13	Emergency Management Spec (Exercise)	Planning
GS-301	11/12/13	Emergency Management Spec (Planner/LNO)	Planning

Series	Grade	Title	Position/Office
GS-301	12	Readiness Operation Spec. (Supv; Director Site C)	Contingency Operations
GS-301	12/13	Emergency Management Spec (Continuity)	Planning
GS-301	12/13	Emergency Management Spec (Evaluator)	Planning
GS-301	12/13	Program Analyst	
GS-301	12/13	Readiness Operations Specialist (NOC Liaison)	Integrated Operations Center
GS-301	13	Readiness Operation Spec (Supv; Deputy Director for Site B)	Contingency Operations
GS-301	13	Readiness Operation Spec (Team Lead)	IOC
GS-301	14	Emergency Management Spec	National Security
GS-301	14	Lead Emergency Mgt. Spec	Planning
GS-301	14	Readiness Operation Spec (Supv)	Integrated Operations Center
GS-301	14	Readiness Operation Spec (Supv; Site B Director)	Contingency Operations
GS-301	14	Team Lead/Exercises	Planning
GS-301	15	Director, HSPD-12 Program Management Office	Homeland Security Presidential Directive-12
GS-301	15	Dir—Emergency Management Spec	Director, EM
GS-301	15	Director, Resource Management	Director, ORM
GS-301	15	Director/(Supv.) VA IOC (FY 12)	Integrated Operations Center
GS-301	7	Program Specialist	Personnel Identification Verification Office
GS-301	7	Program Specialist	Personnel Identification Verification Office
GS-301	7	Program Specialist	Personnel Identification Verification Office
GS-301	7	Program Specialist	Personnel Identification Verification Office
GS-301	7	Program Specialist	Personnel Identification Verification Office
GS-301	7	Program Specialist	Personnel Identification Verification Office
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-301	9/11/12	Readiness Operations Specialist	Contingency Operations
GS-301	9/11/12	Readiness Operation Spec	Integrated Operations Center
GS-303	7	Program Support Assistant	Operations
GS-341	13	Administrative Officer	Operations
GS-343	14	Management Analyst	Budget Analyst
GS-343	14	Management Analyst	Administrative Officer
GS-343	14	Management Analyst	Resource Manager

Series	Grade	Title	Position/Office
GS-343	11	Director, PIV Office	Homeland Security Presidential Directive
GS-343	11	Program Analyst	Homeland Security Presidential Directive
GS-343	11/12/13	Management Analyst (Planner/LNO)	Planning
GS-343	13	Program Analyst	Homeland Security Presidential Directive-12
GS-343	13	Program Analyst	Operations
GS-343	13	Program Analyst—GIS	Planning
GS-343	14	Deputy Director, HSPD-12	Homeland Security Presidential Directive-12
GS-343	14	Senior Policy Analyst	Support
GS-343	9/11/12	Program Analyst—Geographic Information System	Planning
SES	SES	DAS OEM	DAS OEM
SES	SES	Director, Security & Law Enforcement	OSLE Lead
GS-301	12	Program Analyst	Program Analyst
GS-301	13	Staff Assistant to Director ORM	Staff Assistant
		Assistant Secretary	Assistant Secretary

Question 2. For fiscal year 2013, the Office of Operations, Security, and Preparedness requests $4 million for Other Services. Please provide a specific itemized list of how these funds would be spent. To the extent any of these funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. OSP uses contract support in the following areas: Department of Homeland Security/Federal Protective Service (DHS/FPS) Contract Guards for the GSA leased spaces in the Capital Region ($2.7 million); Contract support from FEMA for the Continuity of Government spaces ($200,000); and Program support for the HSPD–12 program management office ($1 million). We also pay for support for our Continuity of Operations sites and Continuity of Government sites which are located outside of the National Capital Region ($200,000). Additionally, we have some maintenance contracts for equipment.

Question 3. According to the fiscal year 2013 budget request, the Office of Operations, Security, and Preparedness now expects to spend $1.1 million on equipment during fiscal year 2012, which is 86% higher than the amount requested for fiscal year 2012 ($611,000), and that office requests $436,000 for equipment for fiscal year 2013.

a. Please explain what led to the expected increase in equipment expenditures during fiscal year 2012 and how that funding ($525,000) was originally expected to be spent.

Response. The increase was due to delays in construction of the new VA Integrated Operations Center (IOC) which caused delays in procurement of the initial outfitting and furnishing of those spaces. The original amount of funding was the initial estimate to complete initial outfitting and furnishing of the new Reconstitution site at Site C. Contract awards for all initial outfitting for both sites will occur in the 4th quarter of FY 2012. Initial outfitting includes desks/workstations, chairs and miscellaneous office needs initially identified during the planning phase of the projects. Final outfitting would be for items identified after the new spaces have been in use for a period of time.

b. Please provide an explanation of how these funds are expected to be expended during fiscal year 2012 and fiscal year 2013.

Response. The $1.1 million consists of $700K carried over from FY 2011 for furniture and initial outfitting of the new VAIOC. Construction delays caused a change in the procurement timeline. The other $400K is for furniture and initial outfitting of the new Site C facility being constructed in FY 2012.

The funds identified for use in FY 2013 are for final outfitting for both sites as needed, and for possible reconfiguration and re-outfitting of the spaces currently being used as the VA IOC.

Office of Public and Intergovernmental Affairs

Question 1. For fiscal year 2013, the Office of Public and Intergovernmental Affairs requests a total of $26.5 million and 94 employees. Please provide a list of the positions that would be filled with that funding and the pay-grades for those positions.

Office of Public and Intergovernmental Affairs (OPIA)
Employees Position Report

		Position Title	Grade	FTE
		Office of the Assistant Secretary		
1		Assistant Secretary	SES	1
2		Staff Assistant	12	1
3		Executive Director	SES	1
4		Program Analyst	12	1
5		Program Support Asst (OA)	11	1
6		Staff Assistant	14	1
7		Chief of Staff	15	1
		Office of National Veterans Sports Programs and Special Events		
1		Public Affairs Specialist	14	1
2		Staff Assistant	9	1
3		Public Affairs Specialist	14	1
4		Program Manager	13	1
5		Program Specialist	9	1
6		Program Management Officer	15	1
7		Consultant	N/A	1
8		Program Specialist	13	1
9		Program Specialist	11	1
10	Vacant	Deputy Director	15	1
		Office of National Tribal Governmental Relations		
1		Program Specialist	14	1
2		Director	SES	1
3		Program Specialist	13	1
4		Program Specialist	12	1
5		Program Specialist	13	1
		Office of Intergovernmental Affairs		
1		Deputy Assistant Secretary	SES	1
2		Clerk	4	1
3		Program Analyst	14	1
4		Program Support Assistant	10	1
5		Program Support Asst (OA)	9	1
6		Program Analyst	14	1
7		Program Analyst	14	1
		Office of Homeless Veterans Initiatives		
1		Director	SES	1
2		Program Specialist	15	1
3		Program Specialist	12	1
4		Program Support Asst (Typ)	7	1
5		Staff Assistant	14	1
6		Program Specialist	9	1
7		Administrative Officer	12	1
8		Management Analyst	14	1
9		Program Specialist	14	1
10		Program Analyst	14	1
11		Program Analyst	14	1
12		Management Analyst	12	1
13		Deputy Director	15	1
14		Program Analyst	14	1
15		Program Specialist	14	1
		Office of Online Communications		
1		Public Affairs Specialist	14	1
2		Public Affairs Specialist	11	1
3		Public Affairs Specialist	12	1
4		Public Affairs Specialist	11	1
5		Program Specialist	13	1

Office of Public and Intergovernmental Affairs (OPIA)—Continued
Employees Position Report

		Position Title	Grade	FTE
		Office of Public Affairs		
1		Program Support Assistant	10	1
2		Public Affairs Specialist	15	1
3		Public Affairs Specialist	15	1
4		Public Affairs Specialist	15	1
5		Dep Assistant Secretary	SES	1
6		Public Affairs Specialist	15	1
7		Public Affairs Specialist	15	1
8		Special Assistant	14	1
		Office of Media Relations		
1		Public Affairs Specialist	15	1
2		Program Support Asst (OA)	7	1
3		Public Affairs Specialist	13	1
4		Student Trne	5	1
5		Public Affairs Specialist	14	1
6		Public Affairs Specialist	14	1
7		Public Affairs Specialist	14	1
8		Public Affairs Specialist	14	1
		Office of Public Relations Regional Offices		
1		Public Affairs Specialist	11	1
2		Public Affairs Specialist	14	1
3		Public Affairs Specialist	14	1
4		Public Affairs Specialist	13	1
5		Public Affairs Specialist	13	1
6		Public Affairs Specialist	14	1
7		Public Affairs Specialist	13	1
8		Public Affairs Specialist	13	1
9		Public Affairs Specialist	13	1
10		Public Affairs Specialist	14	1
11		Public Affairs Specialist	14	1
12		Public Affairs Specialist	11	1
13		Public Affairs Specialist	13	1
14		Public Affairs Specialist	14	1
15		Public Affairs Specialist	13	1
16		Public Affairs Specialist	11	1
17		Public Affairs Specialist	14	1
18		Public Affairs Specialist	11	1
19		Program Support Asst (OA)	7	1
20		Public Affairs Specialist	14	1
21		Public Affairs Specialist	11	1
22		Public Affairs Specialist	11	1
		Office of Media Products		
1		Public Affairs Specialist	15	1
2		Public Affairs Specialist	14	1
3		Public Affairs Specialist	13	1
4		Public Affairs Specialist	14	1
5		Public Affairs Specialist	11	1
6		Public Affairs Specialist	13	1
7		Student Trainee	7	1
8		Public Affairs Specialist	11	1
		Total FTE		94

Question 2. For fiscal year 2013, the Office of Public and Intergovernmental Affairs requests $8.5 million for purposes of the Paralympics program.

a. During fiscal year 2012, how much is expected to be dispersed through this grant program, what percentage of those funds are expected to be used to pay the salary costs for employees of the U.S. Olympic Committee/U.S. Paralympics, and how much is expected to be spent on non-salary administrative costs by the U.S. Olympic Committee?

Response. In FY 2012, $7.5 million will be dispersed through the grant program. Currently, 13.33 percent is projected to be used to pay the salary costs for employees

of the U.S. Olympic Committee/U.S. Paralympics. The U.S. Olympic Committee/U.S. Paralympics is projecting to use other sources to fund administrative costs for the U.S. Paralympics Integrated Adaptive Sport Program, and use the grant received from VA for designated programs.

b. During fiscal year 2013, how much is expected to be dispersed through this grant program, what percentage of those funds are expected to be used to pay the salary costs for employees of the U.S. Olympic Committee/U.S. Paralympics, and how much is expected to be spent on non-salary administrative costs by the U.S. Olympic Committee?

Response. In FY 2013, the expected amount to be dispersed through the grant program is the same as the FY 2012 amount, as is the disbursement plan.

Question 3. According to the fiscal year 2013 budget request, the Office of Public and Intergovernmental Affairs now expects to spend $4 million on Other Services during fiscal year 2012, which is 152% higher than the amount requested for fiscal year 2012 ($1.6 million), and that office requests $1.5 million for Other Services for fiscal year 2013.

a. Please explain what led to the expected increase in Other Services during fiscal year 2012 and how that funding ($2.4 million) was originally expected to be spent.

Response. The Other Services funding level changes are a result of carryover funding. Estimates at the time of budget submission were that a carryover of $2.4 million would be needed, based on office requirements. After further review, FY 2011 funding of $2.3 million was carried over to FY 2012.

b. Please provide an itemized list of how these funds are expected to be expended during fiscal year 2012 and fiscal year 2013. To the extent any of these funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. The OPIA carried over $2.3 million from FY 2011 to FY 2012. In the President's 2013 budget, these resources were planned to be expended in 2012 for the following purposes:

1. For grant allowance subsidy for payout in Sept/Oct timeframe by the National Sports Programs and Special Events. Estimated expenditure: $300,000.
2. For contract services to update the Web site and establish a social media section on the Web page for Veterans who are training to use Facebook and blogs to track their way to Gold in the London 2012 Games. Also to produce videos for disabled Veterans who are training. Estimated expenditure: $600,000.
3. For contract services to do an in-depth cost benefit analysis of the VA National Veterans Sports Programs & Special Events Office grants and the cost to the VA to provide the six national events. The goal is to capture VA's cost estimate of Return on Investment for both programs, and to assist in providing recommendations for program office enhancements. Estimated expenditure: $350,000.
4. To help support the Warrior Games in 2012. VA awarded a grant to the United States Olympic Committee to support the Warrior Games. Last year more than 30 percent of the athletes were Veterans. Estimated expenditure: $250,000.
5. Provide two adaptive sport-specific camps for elite athlete Veterans and members of the Armed Forces. Estimated expenditure: $150,000.
6. For programs to provide expertise in the national, regional, and community-based Paralympic and adaptive sport programs, including integration of diverse Veteran Service Organization, Paralympic Sport Club, and state and local government entities. Estimated expenditure: $150,000.
7. OPIA estimates that $500,000 will be required to stand up and implement the National Veterans Outreach (NVO) office. VA created the NVO office within OPIA in FY 2010 to coordinate outreach throughout VA, and to standardize outreach-related activities. Estimated expenditure: $500,000.

Question 4. According to the fiscal year 2013 budget request, the Office of Public and Intergovernmental Affairs now expects to spend $1.1 million on travel during fiscal year 2012, which is 70% higher than the amount requested for fiscal year 2012 ($660,000), and that office requests $1.1 million for travel for fiscal year 2013.

a. Please explain what led to the expected increase in travel during fiscal year 2012 and how that funding ($465,000) was originally expected to be spent.

Response. Previously known as the Homeless Veteran Program Office, the Homeless Veteran Initiative Office (HVIO) expected an FY 2012 travel increase of $465,000, at the time of the FY 2013 Budget release. That figure has since been decreased by $285,000. The original FY 2012 travel increase of $465,000 was to support OPIA's Homeless HVIO travel connected to VA's efforts to end Veterans' homelessness, which is one of the Department's top priorities.

b. How many trips is that level of funding expected to support each year and what is the average expected cost per trip?

Response. Although HVIO FY 2012 original travel increase was $465,000, that figure has since been decreased by $285,000. HVIO FY 2012 current estimate travel budget is $165,000, with an estimate of 122 trips, at an average cost of $1,352.00 to include VA staff and members of VA's Advisory Committee for Homeless Veterans.

Office of Congressional and Legislative Affairs

Question 1. For fiscal year 2013, the Office of Congressional and Legislative Affairs requests $6.3 million and 48 employees. Please provide a list of the positions that would be filled with that funding and the pay-grades for those positions.

Response. In FY 2013, the Office of Congressional and Legislative Affairs (OCLA) is requesting a total budget of $6.3 million that will fund an average of 48 FTE.

The specific positions that would be supplemented by this funding, and their associated pay-grades are outlined below:

1) Assistant Secretary for Congressional and Legislative Affairs (PAS)
2) Deputy Assistant Secretary for Congressional and Legislative Affairs (Political Appointment—SES)
3) Associate Deputy Assistant Secretary for Congressional and Legislative Affairs (Career SES)
4) Special Assistant to the Assistant Secretary (Schedule C GS–15)
5) Special Assistant to the Assistant Secretary (Schedule C GS–14)
6) Director of Operations (GS–15)
7) Director, Legislative Affairs Service (GS–15)
8) Director, Congressional Liaison Service (GS–15)
9) Director, Benefits Legislative Affairs Service (GS–15)
10) Director, Health Legislative Affairs Service (GS–15)
11) Director, Corporate Enterprise Legislative Affairs Service (GS–15)
12) Assistant Director, Congressional Liaison Service (GS–14)
13) Advisory Committee Management Officer (GS–14)
14) Administrative Officer (GS–14)
15) Administrative Officer (GS–14)
16) Executive Correspondence Analyst (GS–14)
17) GAO Liaison Team Leader (GS–14)
18) Congressional Relations Officer—Legislative (GS 12/13/14)
19) Congressional Relations Officer—Benefits (GS–12/13/14)
20) Congressional Relations Officer—Benefits (GS–12/13/14)
21) Congressional Relations Officer—Health (GS–12/13/14)
22) Congressional Relations Officer—Health (GS–12/13/14)
23) Congressional Relations Officer—Health (GS–12/13/14)
24) Congressional Relations Officer—Health (GS–12/13/14)
25) Congressional Relations Officer—Corporate Enterprise (GS–12/13/14)
26) Congressional Relations Officer—Corporate Enterprise (GS–12/13/14)
27) Congressional Relations Officer—Corporate Enterprise (GS–12/13/14)
28) Congressional Relations Officer—Corporate Enterprise (GS–12/13/14)
29) Senior Congressional Liaison Representative (GS–13)
30) Congressional Liaison Officer (GS–13)
31) GAO Liaison (GS–13)
32) Congressional Liaison Representative (GS–12)
33) Congressional Liaison Representative (GS–12)
34) Congressional Liaison Representative (GS–12)
35) Program Analyst—Health (GS–12)
36) Correspondence Analyst (GS–11)
37) Program Analyst—Congressional Liaison Service (GS 9/11)
38) Program Analyst—Congressional Liaison Service (GS–11)
39) Program Analyst—Benefits (GS–11)
40) Program Analyst—Legislative Affairs Service (GS–11)
41) Program Analyst—Corporate Enterprise (GS–11)
42) Staff Assistant (GS–11)
43) Program Analyst (GS–9/11)
44) Staff Assistant (GS–9/11)
45) Senior Congressional Liaison Assistant (GS–9)
46) Staff Assistant (GS–8)
47) Congressional Liaison Assistant (GS–8)
48) Congressional Liaison Assistant (GS–7)

Question 2. According to the fiscal year 2013 budget request, the Office of Congressional and Legislative Affairs now expects to spend $180,000 on Other Services (Contracts, Agreements, etc) during fiscal year 2013, which is 65% higher than the

amount requested for fiscal year 2012 ($109,000), and that office requests $180,000 for Other Services for fiscal year 2013.

Response. OCLA's FY 2012 budget operating plan was revised following receipt of the year's final budget. The revised plan for FY 2012 is outlined below (funding figures in thousands):

FY 2012

Average employment	48
Personnel Services	$5,761
Travel	$164
Printing and reproduction	$13
Other services	$368
Supplies and materials	$130
Total authority	$6,436

OCLA's projected FY 2013 updated budget operating plan is listed below:

FY 2013

Average employment	48
Personnel Services	$5,761
Travel	$166
Printing and reproduction	$13
Other services	$287
Supplies and materials	$75
Total authority	$6,302

a. Please explain what led to the expected increase in Other Services during fiscal year 2012 and how that funding ($71,000) was originally expected to be spent.

Response. OCLA implemented a congressional knowledge management system during FY 2011. This system is used to track congressional inquiries and other related congressional requests to centralize information and monitor status. OCLA estimated the annual lease fees for the system to be approximately $82,000.00. This resulted in the increase in other services, as FY 2013 would be the first full year of the lease. However, additional savings are anticipated to be identified through the review of existing contracts.

OCLA expects a net reduction in the Other Services category of $81,000.00; the FY 2013 request is $287,000.00.

b. Please provide an itemized list of how these funds are expected to be expended during fiscal year 2012 and fiscal year 2013. To the extent any of these funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. Below is an itemized list of how these funds are expected to be expended during FY 2012 and FY 2013. Contracts are listed below with explanations and desired outcomes.

(1) Congressional Quarterly Web site

a. FY 2012: $89,931.00 Est. Cost FY 2013: $95,000 (based on last year's estimate of a $4,200 increase)

b. Subscription service for access to Congressional Quarterly Web site.

(2) Service Level Agreement (SLA) (Financial Service Center)

a. FY 2012—$3,133.02 Est. Cost FY 2013: $3,133.02

b. SLA is with the Austin Finance Center for the administration of pay and travel.

(3) Defense Finance and Accounting Services (DFAS)

a. FY 2012: $3896.15 Est. Cost FY 2013: $3896.15

b. DFAS accounting database.

(4) Franchise Fund Payment (FDM)

a. FY 2011: $316.00 (not billed until end of FY) FY 2012: anticipate similar charge for FY 2012 and FY 2013

(5) Congressional Knowledge Management System (CKMS)

a. FY 2012: $22,000.00 Est. Cost FY 2013: $82,000.00

b. CKMS was implemented in FY 2011. Payment of the partial lease is due in FY 2012. The full lease costs will be incurred in FY 2013.

Question 3. According to the fiscal year 2013 budget request, the Office of Congressional and Legislative Affairs now expects to spend $198,000 on supplies and materials during fiscal year 2012, which is 57% higher than the amount requested for fiscal year 2012 ($126,000), and that office requests $198,000 for supplies and materials for fiscal year 2013.

Response. OCLA's FY 2012 budget operating plan was revised following receipt of the year's final budget. The revised plan for FY 2012 is outlined below (funding figures in thousands):

FY 2012

Average employment	48
Personnel Services	$5,761
Travel	$164
Printing and reproduction	$13
Other services	$368
Supplies and materials	$130
Total authority	$6,436

OCLA's projected FY 2013 updated budget operating plan is listed below:

FY 2013

Average employment	48
Personnel Services	$5,761
Travel	$166
Printing and reproduction	$13
Other services	$287
Supplies and materials	$75
Total authority	$6,302

a. Please explain what led to the expected increase in supplies and materials during fiscal year 2012 and how that funding ($72,000) was originally expected to be spent.

Response. The FY 2013 budget request was amended and the amount requested for OCLA "Supplies and Materials" has been adjusted to $75,000.00. This amount is actually $51,000.00 less than current year spending.

The reduction in "Supplies and Materials" is a result of continuing stewardship and renewed focus on efficient use of resources.

b. Please provide an itemized list of how these funds are expected to be expended during fiscal year 2012 and fiscal year 2013.

Response. Major Expenditures during FY 2012 and projected in FY 2013 are:

Copier Lease (Xerox)	FY 2012: $3,000.12 FY 2013: $3,000.12
Copier Lease (Xerox)	FY 2012: $3,744.44 FY 2013: $3,744.44
Copier Yearly (Ricoh) Maintenance Agreement	FY 2012: $3,661.44 FY 2013: $3,661.44
Copier Yearly (Ricoh) Maintenance Agreement	FY 2012: $5,326.80 FY 2013: $5,326.80
Periodicals, Newspapers, Congressional Directories, Other Congressional subscription services, etc.	FY 2012: $27,759.35 FY 2013: $20,000.00
Office Supplies, Toner, Projector Screens, Replacement TVs, etc.	FY 2012: $39,593.37 FY 2013: $39,000.00

The request of $75,000.00 for "Supplies and Materials" represents, as a percentage of the total office budgetary request, approximately 1.2% of the $6.3 million requested for annual operations. OCLA consistently tries to reduce costs associated with supplies and materials.

Question 4. In connection with VA's fiscal year 2012 budget request, the Office of Congressional and Legislative Affairs indicated that, in 2010, it had "defined performance measures and metrics for the office."

a. In terms of those measures and metrics, please assess the performance of the Office of Congressional and Legislative Affairs during fiscal year 2011.

Response. Below please find a summary of OCLA's workload and relevant performance metrics:

FY 2011	Total
Hearings	46
Briefings	454

Responsiveness:

• Percentage of responses to pre and post-hearing questions for the record that are submitted to Congress within the required timeframe: 90%

• Percentage of testimony submitted to Congress within the required timeframe: 98%

• Percentage of Title 38 reports that are submitted to Congress within the required timeframe: 33%

Government Accountability Office (GAO) Activities: 168
(activities include entrance conferences, exit conferences, draft reports, final reports)

OCLA Liaison Service:
Inquires: 19,642 (includes letters, e-mails, phone calls, walk-ins)
Closed letters: 4,368

Advisory Committee Meetings: 44

b. In terms of those measures and metrics, what performance outcomes are expected during fiscal year 2012?

Response. OCLA expects to sustain its FY 2011 performance outcomes. Specific target goals are:

• Percentage of responses to pre- and post-hearing questions for the record that are submitted to Congress within the required timeframe: 85%

• Percentage of testimony submitted to Congress within the required timeframe: 90%

• Percentage of Title 38 reports that are submitted to Congress within the required timeframe: 85%

OCLA will continue to focus on process improvements and performance, especially in the area of congressionally mandated reports.

c. In terms of those measures and metrics, what performance outcomes are expected during fiscal year 2013 if the requested level of funding is provided?

Response. OCLA expects to achieve the following performance outcomes in FY 2013:

• Percentage of responses to pre- and post-hearing questions for the record that are submitted to Congress within the required timeframe: 90%

• Percentage of testimony submitted to Congress within the required timeframe: 90%

• Percentage of Title 38 reports that are submitted to Congress within the required timeframe: 85%

Office of Acquisition, Logistics, and Construction

Question 1. For fiscal year 2013, the Office of Acquisitions, Logistics, and Construction requests $13.9 million for Other Services. Please provide an itemized list of how these funds will be spent. To the extent any of these funds will be spent on contracts, please explain the nature of the contract and the expected outcomes.

Response. The $13.9 million requested by the Office of Acquisitions, Logistics, and Construction (OALC) for Other Services in FY 2013 will be spent as shown in the table below.

	Administrative Overhead, non-contract
Training	$295,000
Permanent Change of Station moves	$893,000
Repair of Furniture & equipment	$49,000
Maintenance & repair services	$43,000

Total	$1,280,000	

Support Agreements with Other Federal Agencies

Financial Service Center (FSC) SLA	$360,000	VA centralized Finance Center
Security Investigations (SLA)	$28,000	Employee security investigations
Financial Disclosure SLA	$11,000	Financial disclosure & ethics
Defense Finance & Accounting Service (DFAS)	$32,000	Payroll processing
VA Central Office Human Resources Service (CORHS)	$300,000	Support aggressive hiring schedule
Total	$731,000	

Essential Contract Support with Outside Agencies

Federal Facilities Council (FFC)	$30,000	Support new technologies for design/construction
HCIP Reimbursement	$125,000	Workforce development
Advisory Council Historic Preservation Liaison	$182,000	National Historic Preservation Act
National Institute of Building Sciences (NIBS)	$50,000	Building design support
Seismic Instrumentation	$58,000	Seismic instrument maintenance
Western Regional Office Build Out	$1,210,000	Western regional office expansion
Eastern Regional Office Build Out	$902,000	Eastern regional office expansion
Western Regional Office Hoteling	$1,200,000	Temporary space—Western regional office
Total	$3,757,000	

VAFM Transformation Initiative Contracts

VAFM Transformation Initiative	$1,434,000	Implementation of Enterprise Facilities Management system
SharePoint Contract	$1,200,000	Convert government off the shelf (GOTS) IT to existing platform
Process Documentation	$246,000	Publish OALC/CFM procedures
Total	$2,880,000	

Acquisition Improvement Initiative Contracts

Acquisition Improvement Initiative	$5,000,000	Develop acquisition workforce
Total	$5,000,000	

OALC Transformation Contracts

OALC Transformation Contracts	$246,000	Transform OALC lines of business
Total	$246,000	
Grand Total	$13,894,000	

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OFFICE OF INSPECTOR GENERAL

1. The fiscal year 2013 budget request included this information regarding the Office of Inspector General (OIG):

> The budget request of $113,000,000 from appropriations will support an employment level of 615 full-time equivalent (FTE), a reduction of 5 FTE from 2012. This level of resources will allow OIG to accomplish a similar or slightly reduced number of oversight audits, healthcare and benefits inspections, evaluations, and criminal and administrative investigations of VA programs and activities compared with 2012 performance targets.
>
> ...The Inspector General's initial budget request transmitted to the Secretary of Veterans Affairs was $114,423,000 ...

a. If the fiscal year 2013 budget request is adopted, what positions within the Office of Inspector General would be eliminated?

OIG Response: OIG would try to absorb the 5 FTE reduction across its offices through attrition and selective filling of the most critical vacancies.

b. If this reduction in staff results in lower level of activity by the Office of Inspector General, how would the office prioritize which activities would be reduced?

OIG Response: The continuing high demand for audits, evaluations, healthcare inspections, and criminal investigations already dictates that OIG prioritize work. Reductions in staff would only exacerbate this situation.

OIG would continue to meet its mandatory oversight requirements, such as the Consolidated Financial Statement and Federal Information Security Management Act audits, and then prioritize its reactive and proactive work. This prioritization would be based on risk analysis of VA programs and initiatives, over 30,000 incoming Hotline contacts per year, Congressional and VA requests for reviews, and other topical concerns or issues.

HOUSING

Question 1. VA has a number of tools available to assist veterans from losing homes guaranteed through the VA home loan program. In the unfortunate instances these programs do not work and a veteran goes into foreclosure or default, VA is required to reimburse the holder of the mortgage for up to 25% of the purchase price. In order to avoid incurring large costs to the Loan Guaranty Service and taxpayers, VA has the authority to purchase the properties from the banks and later sell the properties instead of paying the guaranty.

a. Please provide the number of homes the VA Loan Guaranty Service has taken possession of during the last five years.

b. How much has VA spent to acquire properties in the last five years, and how much has VA recouped in sales of those attained property assets?

c. Of the properties that VA has acquired over the last five years, please detail the number of those properties VA still holds.

d. Please detail the plan to dispose of the remaining properties held by VA.

Response. [Question 1, a–d were answered in the prehearing responses.]

e. What is the cost of upkeep for homes VA has taken possession of following a default or foreclosure of a VA-backed loan?

Response. The average cost for upkeep of the 16,388 properties sold in FY 2011 was $4,533 per property, which includes taxes, maintenance costs, and capital improvements.

f. What is the process for acquiring properties in both the Acquired and Vendee accounts?

Response. VBA assumes that this question pertains to the process by which VA acquires refunded and vendee loans in its portfolio. VA occasionally acquires (pur-

chases from the lender) VA-guaranteed loans when the Veteran borrower can resume regular monthly payments, but where the loan holder is unwilling or unable to modify the loan to cure the delinquency and make future payments affordable. These acquired (refunded) loans are then serviced by VA's contract portfolio servicer. While 67 percent of acquired (refunded) loans are performing, some delinquent loans are eventually foreclosed, with VA acquiring the properties. This is similar to the manner in which VA acquires VA-guaranteed loan foreclosures.

Properties that VA acquires after guaranteed loans are foreclosed are offered for sale with VA seller (vendee) financing. Vendee loans are serviced by VA's contract portfolio servicer until the loans are paid off or sold. If a Vendee Loan goes delinquent while VA owns it, and it is eventually terminated, then at the foreclosure sale, VA typically acquires the property that secured the loan and adds it to its inventory of properties available for sale.

Question 2. The fiscal year 2012 VA budget request housing workload section for 2012 stated: "The number of refinance loans will decrease as interest rates rise from the lower levels of 2011." The fiscal year 2013 housing 2012 workload section states: "In 2012, an increasing interest rate environment will reduce the number of Veteran borrowers able to lower the interest rates on their mortgages." According to Freddie Mac, since February 10, 2011, the U.S. 30-Year fixed rate mortgage rate has fallen from 5.05% to 3.87% on February 9, 2012.

a. In light of U.S. 30-Year fixed rate mortgage rates continuing to stay near record lows, how will the projected number of borrowers able to refinance during 2012 be affected?

Response. If mortgage rates continue to stay low during 2012, then borrowers who have not recently refinanced may have the ability and desire to exercise this option. However, if mortgage rates do not fall or stabilize, the vast majority of borrowers who wanted to refinance will have already done so, and VA's refinance volume growth will likely slow.

b. How does this continued favorable interest rate environment for borrowers affect VA's workload and resource needs?

Response. There are minimal effects on VA's workload and resource needs as a result of the current favorable interest rate environment for borrowers. Low or declining interest rates typically cause an increase in the number of Interest Rate Reduction Refinancing Loans (IRRRLs). No appraisal or credit underwriting package is required by VA on IRRRLs, and increased IRRRL activity does not necessitate an increase in resources.

c. Please explain how VA projects changes in interest rates in order to develop workload statements for the annual budget submission.

Response. VA uses economic assumptions from the Office of Management and Budget to determine estimates for interest rate changes, and subsequently workload projections and assumptions for the annual budget submission.

Question 3. Veterans attempting to utilize their VA home loan entitlement have raised concerns to the Committee regarding the competitiveness of VA-backed loans as opposed to Federal Housing Administration (FHA) or other traditional mortgage products. There are limitations on the types of fees and other settlements cost veterans are allowed to pay, but there are no similar restrictions for veterans or nonveterans who use FHA or traditional mortgages. Veterans must be protected to ensure they are purchasing quality homes and are not taken advantage of at closing; however, veterans using VA home loans should not be adversely affected by overly stringent VA rules.

a. What steps does VA take to ensure that veterans utilizing VA-backed loans are competitive in the housing market?

Response. VA's Loan Guaranty program is competitive in the marketplace, and in order to maintain the program's viability, VA continually strives to improve efficiency of operations and to effectively communicate with industry stakeholders who are critical to the delivery of loan guaranty benefits. VA balances stakeholder and Veteran needs with necessary safeguards and protections. Additionally, VA's Minimum Property Requirements ensure that Veterans purchase homes that are in safe, sound, and sanitary condition. Efforts to ensure that the program is competitive in the housing market are outlined below.

Prior to October 1992, VA established the interest rate to be charged on VA-guaranteed loans. As a result of legislation in 1992, interest rates on VA-guaranteed loans were determined by the private market, bringing VA's program in line with other loan products in the industry.

VA credit guidelines afford lenders the opportunity to make sound and prudent underwriting decisions based on the ability of a Veteran to afford a loan. VA underwriting guidelines allow Veterans to be afforded every possible opportunity to pur-

chase a home. As an example, VA does not require a minimum FICO score, as would a conventional lender. Instead, VA instructs lenders to look at a Veteran's entire situation and use indicators such as residual income and debt ratios and to be flexible in evaluating a Veteran's income and employment situations.

VA continues to enhance our competitiveness in the mortgage market through efforts and initiatives targeted at increasing efficiency and timeliness for loan underwriting and closing. VA has made it possible for lenders to utilize automatic lending authority to originate, process, underwrite, and close loans with minimal VA involvement. VA information technology innovations have enabled lenders to request a case number and appraisal assignment online and enabled lenders and Veterans to obtain a Certificate of Eligibility online. Additionally, an appraiser's report can be uploaded online where a lender representative can review and issue a Notice of Value (NOV). Once the loan is closed, lenders can request evidence of the guaranty online. VA is also currently enhancing the capability of our systems to allow any lender to submit requested loan files electronically rather than by mail. This will greatly speed lenders' ability to comply with VA's oversight process and procedures.

With delegation of authorities and automation of the program, VA has established and maintains a robust oversight program, which ensures lenders and other stakeholders comply with VA-specific laws, regulations, policies, and procedures.

b. In situations where a mortgage originator or seller is unwilling to make up the monetary amount that is remaining at closing, what tools are available to veterans to make up for a shortfall?

Response. VA is aware that some lenders provide the Veteran-borrower the opportunity to offset some of those costs by using a "premium pricing" option. This option allows the Veteran-borrower to pay an increased interest rate in return for providing a closing cost credit to cover the shortfall, as long as VA's regulations do not prohibit the specific costs that are being credited.

With regard to specific closing costs, VA maintains a list of allowable and unallowable fees and charges. This list is currently under revision to ensure that VA's guaranteed loan program remains competitive in the marketplace. Revision of the fees and charges will require changes to VA regulations.

c. Please detail the termite and pest inspections required by VA. How do they differ from those required by FHA?

Response. Conditions which impair the safety, sanitation, or structural soundness of the dwelling will cause the property to be unacceptable, per VA's Minimum Property Requirements, until such time as the defects or conditions have been remedied and the probability of further damage eliminated. Such conditions include but are not limited to decay, and termites.

VA requires the NOV be conditioned for Wood Destroying Insect Information (i.e., a termite inspection) if the property is located in an area where there exists a probability of termite infestation. Specifically, VA requires the NOV be conditioned in areas deemed "very heavy" or "moderate to heavy" according to the Termite Infestation Probability Map published in The Council of American Building Officials (CABO) One and Two Family Dwelling Code. (Please note that CABO has been superseded by the International Code Council Residential Code, which retained the CABO map.) If there is a question about the location of an infestation probability boundary line in relation to the subject property, VA's Regional Loan Center of jurisdiction is contacted to determine if this requirement is applicable.

In addition, VA fee appraisers must look for and report evidence of wood-destroying insect infestation, fungus growth, and dry rot in addition to any VA requirement for an inspection of the property by a wood-destroying insect inspector. In the event the appraiser reports evidence of termites, the NOV is to be conditioned for wood-destroying insect information, irrespective of location.

It is VA's understanding that FHA no longer mandates automatic termite inspections; instead, FHA now determines whether or not a termite inspection is required based on the information provided in the appraisal report. Per FHA Mortgagee Letter 2005–48, FHA Repair and Inspection Requirements for Existing Properties and Revisions to FHA Appraisal Protocol:

> "Lenders must review the appraisal to determine whether the appraiser has reported any property conditions that will affect the health and safety of the occupants or the security and the soundness of the property and must require immediate repair where the property condition poses a threat to these criteria.
>
> FHA no longer mandates automatic inspections for the following items and/or conditions in existing properties: Wood Destroying Insects/Organisms: inspection required only if evidence of active infestation, mandated

by the state or local jurisdiction, if customary to area, or at lender's discretion"

Question 4. On April 19, 2011, the Federal Reserve issued a rule defining "Qualified Mortgages." The rule was in response to changes in the Dodd/Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203). VA will be forced to abide by the Federal Reserve rule unless and until they develop their own rule defining what constitutes loans as "Qualified Mortgages." The last update the Committee received from VA stated that the proposed rule was in VA's concurrence process.

a. Please provide the Committee a detailed update on the status of VA's proposed rule.

Response. VA's Loan Guaranty Service drafted VA's regulation on Qualified Mortgages (QM), pursuant to the requirements of section 1412 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 1412 of the Act also directs VA to consult with the Consumer Finance Protection Bureau (CFPB). Loan Guaranty Service amended the draft rule to incorporate minor clarifying changes requested by the CFPB. The regulation package is currently in the review process within VA.

b. When will the Federal Reserve rule take effect, and will VA's rule be in place prior to this date?

Response. The proposed rule on Qualified Residential Mortgages (QRM Rule) was published in the *Federal Register* on April 29, 2011 (76 FR 24090). VA is not aware of when the QRM Rule will take effect and does not know if VA's rule will be in place prior to the effective date of the QRM Rule. However, section 941 of the Dodd-Frank Act exempts VA-guaranteed loans from the risk-retention provisions of this law:

> (B) OTHER FEDERAL PROGRAMS.—This section shall not apply to any residential, multifamily, or health care facility mortgage loan asset, or securitization based directly or indirectly on such an asset, which is insured or guaranteed by the United States or an agency of the United States. For purposes of this subsection, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal home loan banks shall not be considered an agency of the United States.

In its preamble, the proposed QRM rule explains that it exempts securitizations that are collateralized solely by loan assets insured or guaranteed by the United States. VA's loans are expressly mentioned in this section.

Question 5. According to the fiscal year 2013 budget request, fiscal year "2012 obligations for Specially Adapted Housing grants decreased by $20 million." The request for fiscal year 2013 calls for an increase in obligations of nearly $5 million.

a. Please describe what changes in assumptions or obligations led to the $20 million decrease between the fiscal year 2012 budget estimate and the current estimate.

Response. FY 2012 budget request was formulated based on actual historic data through FY 2010. At the time this budget was developed, the number of Specially Adapted Housing (SAH) grant payments had increased from 1,236 in FY 2008, to 1,562 in FY 2009, and 1,811 in FY 2010. As this rapid growth was not predicted to continue in the long-term, Loan Guaranty Service assumed a more modest long-term growth rate of five percent for SAH grant approvals, which when applied to SAH grant payments, resulted in a projected 1,948 SAH grant payments in FY 2012.

The current estimate for the FY 2013 budget request factors in FY 2011 actual grant payment data, which indicated that the number of SAH grant payments dropped to 1,354 in FY 2011. Since this payment activity was also reflected in SAH grant approval activity for the current estimate, Loan Guaranty Service projected SAH grant approvals to remain constant in FY 2012. The decrease from 1,948 to 1,354 projected payments from the original budget estimate to the current estimate decreased SAH grant payment obligations by $24 million. This decrease was partially offset by an increase in the average grant amount, also based on actual FY 2011 data, which increased SAH grant payment estimates by $4 million.

b. Given the $20 million downward estimation for fiscal year 2012, please detail the assumptions underlying an increase between fiscal year 2012 and 2013.

Response. Despite the large single-year decrease in SAH beneficiaries from FY 2010 to FY 2011, the three-year historical average is a 6.2 percent annual increase in beneficiary payments. As explained above, beginning in FY 2013, Loan Guaranty Service utilizes a long-term assumption of a five percent annual increase in SAH grant approvals. This assumption was combined with a 3.1 percent cost-of-construc-

tion index assumption for FY 2013. This results in a projected $5 million increase in SAH grant payments for FY 2013.

Question 6. The Specially Adapted Housing Assistive Technology Grant Program will be fully implemented during fiscal year 2012. Under current law, the program is able to provide grants of up to $200,000 to individuals or entities for the development of assistive technology. The total amount of grants cannot exceed $1 million in a fiscal year.

a. What is the process for an interested individual or entity to apply for the grants, and how does VA evaluate a grant application?

Response. VA is currently promulgating regulations to implement the program. When the final regulations governing the grant program are published, interested individuals and entities will be able to apply for the grants via grants.gov. Criteria for evaluating applications are under review, but will likely include considerations such as:

- The overall innovative qualities of the proposed assistive technology;
- Demonstration of need among severely disabled Veterans for the proposed technology;
- The extent to which the proposed assistive technology project is specifically designed to promote the ability of severely disabled Veterans to live more independently;
- The extent to which the proposed development concept, size, scope and approach are feasible; and
- Inclusion of a meaningful and achievable implementation plan with major milestones within a specific timeframe.

In addition, qualifying applicants must submit a complete package of required standard forms, such as the Application for Federal Assistance (SF–424) and Assurances for Non-Construction Programs (SF–424B).

b. Has VA issued any Specially Adapted Housing assistive technology grants to date?

Response. No, VA cannot issue any grants under this new program until final regulations are published.

c. What is VA's evaluation process for technologies developed through the program?

Response. As the SAH Assistive Technology Grant program is a new initiative, VA is in the process of developing many program processes and procedures that will ensure grantees are using Government funds appropriately and for the purpose of developing truly innovative assistive technologies. The post-award evaluation process will contain controls to ensure these goals are achieved. Award payments will be staggered so that meaningful progress can be evidenced to VA prior to subsequent installments.

Grantees will be required to provide VA with regular updates on the progress of their projects so that VA can evaluate grantees' progress.

d. How will the grants distributed through this program benefit veterans utilizing Specially Adapted Housing or Special Housing Adaptation programs in the long term?

Response. The long-term goal is that the grants distributed through this program will aid in the development of new assistive technologies for severely disabled Veterans, and particularly those that qualify for Specially Adapted Housing assistance. In turn, these Veterans will have a wider range of innovative products and features from which to choose when applying their own grant funds to the adaptation of their homes. Ultimately, these new technologies should further facilitate the ability of severely disabled Veterans to live more independently in their homes.

e. Do veterans or service-disabled veterans receive preference when VA evaluates grant applications?

VBA Response. When evaluating grant applications for its various programs, VA does not give preference to any particular group and bases award solely on the stated evaluation criteria.

NATIONAL CEMETERY ADMINISTRATION

Question 1. In the fiscal year 2013 budget request, NCA proposed a new initiative to expand burial access to rural communities. The proposal is "to establish a national cemetery presence * * * where the Veteran population is less than 25,000 within a 75-mile [radius]."

a. What are NCA's estimates for usage and burial?

b. The fiscal year 2012 appropriation language requires NCA to develop cost estimations for five rural cemeteries. Of the eight states included on the initial list for the new rural initiative, how many areas within each state meet all the current re-

quirements as proposed by the rural initiative (population, distance, and lack of current burial options)?

c. Of the eight states that meet the initial criteria for the new rural initiative, have any filed paperwork or are awaiting approval for a state cemetery grant?

d. According to the fiscal year 2013 budget request, 89% of veterans were served by a burial option within 75 miles of their residence in 2011. Of the remaining veterans not served by a burial option within 75 miles, how many live in the eight states meeting the initial criteria for the rural initiative? Please detail the information by state.

Response. [These questions appear and were answered in the prehearing responses as Question 26.]

Question 2. On October 1, 2011, VA increased the plot-interment allowance for eligible veterans not buried in a national cemetery from $300 to $700.

a. Please provide the Committee with the number and total amount of plot-interment allowance payments made to eligible veterans since the beginning of fiscal year 2012.

Response. Through January 2012, plot allowances were paid on behalf of over 6,400 beneficiaries, and obligations were nearly $2 million.

b. For fiscal year 2013, how many plot-interment allowances does VA expect to disburse? Please breakdown this information by both the number and total amount.

Response. VA estimates that in FY 2013, over 34,200 plot allowances will be paid, and obligations will be $24.4 million.

Question 3. The current strategic target for the percent of the veteran population served by a national, state, or tribal government veterans' cemetery within 75 miles of their homes is 94%. Are tribal veterans' cemeteries counted as a burial option in order to calculate the distance from a veteran cemetery for non-Native American veterans?

Response. Tribal Veterans' cemeteries are not counted as a burial option in order to calculate the distance from a Veteran cemetery, because burial in a tribal cemetery is restricted to those Veterans who are recognized by the tribal organization no matter where they reside in relation to these cemeteries.

Question 4. In September 2011, while performing accuracy verifications of gravesite maps at Fort Sam Houston National Cemetery, cemetery personnel discovered errors associated with a "raise and realign" project completed in 2004. Because of these errors, NCA initiated a system-wide audit of all 3.1 million gravesites at VA's 131 national cemeteries and 33 soldiers' lots. Phase I of the audit, which included 85 cemeteries where "raise and realign" work had been performed since 2001, has been completed. As of February 24, 2012, 1.5 million gravesites have been audited and 115 errors have been identified.

a. When will the full audit of all 3.1 million gravesites be completed?

Response. All NCA employees are the custodians of a sacred trust and strive to be the model of excellence in the delivery of burial benefits. We have created a culture of accountability in which errors are addressed immediately and openly. NCA regrets the grief and emotional hardship our errors cause and seeks to correct errors in consultation with family members. Where an error occurred, NCA corrected the error and contacted the affected families, wherever possible, to extend our sincerest apologies. NCA also ensured VA's congressional committees and the local congressional offices were notified of the issues. In April 2012, NCA initiated the second phase of its comprehensive system-wide review to verify that the remaining 1.6 million gravesites at VA's 131 national cemeteries and 33 soldiers' lots are accurately marked. By the end of calendar year 2012, NCA will have audited all 3.1 million gravesites within the VA cemetery system. Our findings will be reported to Congress.

b. As part of NCA's National Shrine Commitment many national cemeteries will continue "raise and realign" and other beautification projects. What safeguards have been implemented to avoid similar errors that have been identified through the system-wide audit?

Response. Future renovation contracts to raise and realign headstones and markers will require contractors to keep headstones or markers at the gravesite. This control measure will reduce the likelihood of inaccurate replacement upon project completion. NCA will also hire certified contracting officer representatives at each of its Memorial Service Network offices to oversee future gravesite renovation projects. Additionally, for any headstone which employees or contractors need to move for any reason, NCA will adopt a new process to track temporary movement or replacement of the headstone or marker within the national cemetery.

Question 5. In 2010, NCA added a headstone medallion to the available memorial benefits. A headstone medallion is available to be affixed to an existing privately

purchased headstone or marker placed in a private cemetery to signify the deceased's status as a Veteran. In 2011, over 7,000 medallions were provided by NCA. What type of outreach activities have been or will be undertaken to inform veterans' families, funeral homes, or private cemeteries of the availability of headstone medallions?

Response. NCA has used a multi-tiered approach to outreach and inform the public of the Medallion benefit:

- Updated the NCA Web site (Web 1.0);
- Updating the Federal Benefits for Veterans, Dependents and Survivors (VA Pamphlet 80–11–01);
- Updating the NCA Information Sheet–1 (IS–1);
- Publication of new brochures, fact sheets; and
- Creation of informational videos.

We conduct outreach at dozens of annual conferences and conventions at the national level, including American Legion, VFW, DAV, AARP, and the National Funeral Directors Association. Combined with our outreach efforts at the local level, in FY 2011 NCA staff participated in 3,268 outreach events (90 national and 3,178 local) reaching an estimated 450,236 people. Current benefit information is provided with displays of the new Medallion benefit.

Question 6. According to the fiscal year 2013 budget request, in 2008, 56.8 percent of all interments in national cemeteries were full casket burials. In 2012, that proportion is expected to fall to 51.6 percent and continue to decrease to 48.9 percent in 2017. Of the remaining 51.1 percent of interments in 2017, it is projected that 22.5 percent will be in-ground cremains and 28.5 percent will be columbaria niche.

a. How will the change in veteran burial preference effect future NCA acreage and construction needs?

Response. The number of National Cemeteries offering a columbaria option increased from 9 in 1996 to 39 in 2011 to accommodate the trend in burial option preference to a higher percentage of cremation interments. This trend will extend the developed acreage at these cemeteries to accommodate a greater number of interments and increase the need for columbarium construction.

NCA continues to add columbarium at open national cemeteries as needed according to projected Veteran population, death rates and columbarium usage.

Cremation interments result in greater burial density per acre than either preplaced crypt or traditional casketed burial options. A columbarium interment option provides twice as many interment sites as preplaced crypts and almost four times the number of sites as traditional caskets per acre. An in-ground cremain option provides 1.5 times the number per acre of interment sites as preplaced crypts and 2.8 times the number of sites as traditional caskets. Furthermore, cremation burial options may allow a cemetery to use land not suitable for casketed burials due to slope or water table levels.

NCA also plans to meet Veterans' future burial needs and expectations through new policies targeted to those who reside in densely populated urban areas and sparsely populated rural communities. In response to challenges of travel time and distance to national cemeteries in five of our largest markets, NCA's Urban Initiative will create columbaria-only facilities in the urban core of these cities. The Urban Initiative will improve access to these cemeteries by placing a burial option closer to where the Veteran population lives in Los Angeles, the San Francisco/Oakland Bay Area, Chicago, New York City and Indianapolis. NCA will implement its Rural Veterans Initiative by establishing and operating small National Veterans Burial Grounds within existing public or private cemeteries where no more than 25,000 Veterans who have no national or state Veterans cemetery option within 75 miles of their residence reside. A location for a National Veterans Burial Ground has been identified in Maine, Wisconsin, North Dakota, Montana, Wyoming, Nevada, Idaho, and Utah. In addition, NCA has undertaken an Emerging Burial Practices Study. This independent assessment of burial and memorial practices not currently offered in our national cemeteries will include a national survey and focus groups of Veterans and their families to ascertain whether options such as mausoleums and "green" burial practices are of interest to Veterans and are considered acceptable in a national shrine. NCA anticipates that the findings of this study will provide important information and perspectives that will drive our strategic planning for decades to come.

b. Please detail the assumptions that led to these projections.

Response. NCA uses Veteran population and Veteran death data from the VA Office of the Actuary through the VETPOP 2007 model. NCA uses state and county data from this model as well as trends in burial choice by type and by cemetery to develop projections. The interment and gravesite projection for National Ceme-

teries is developed by independently developing a projection for each cemetery and summing them to derive the national projection. For each cemetery, first and second interments by type of interment—full-casket, in-ground cremain, and niche—are independently developed. From these projections, total full-casket, total in-ground cremain, total niche, total firsts, etc. can be derived.

To project the interments and gravesites, NCA uses a ratio correlation method. Our model: 1) calculates historical usage ratios; 2) projects the usage ratios; and 3) derives projected interments and gravesites by applying the projected usage ratios to the projected Veteran deaths.

To estimate depletion dates, NCA uses a perpetual inventory method. The model iteratively subtracts projected first interments from the sum of 1) available sites in developed acres and 2) an estimate of potential sites in undeveloped acres.

Question 7. The fiscal year 2013 budget request for NCA operations and management includes a request for an additional $260,000 resulting in an additional four FTE to meet the demands of increased interments, as well an additional $1,200,000 to fund contract maintenance personnel.

a. How does NCA measure the efficacy of contracting for maintenance work performed at national cemeteries versus hiring additional NCA staff to perform the same duties?

Response. The primary mission of a National Cemetery is the interment of Veterans and their eligible dependents. The secondary mission is the perpetual care of these national shrines. NCA has over 3.1 million gravesites in its 131 national cemeteries and 33 soldiers lots and monument sites. Under certain circumstances it is more efficient to contract work associated with the daily care of the grounds, i.e. mowing, trimming around headstones and markers, raise/realign/clean headstones and markers, fertilization, tree maintenance, sunken graves maintenance, etc. Unlike the interment of Veterans, NCA does not consider these activities to be inherently governmental.

Before any work activity is contracted, the cemetery must consider the nature of the work and compare the cost to hire and train employees, purchase and maintain equipment, and procure supplies against the cost to hire a contractor who has the equipment and human capital to start providing services right away. Much of the maintenance required in a national cemetery is seasonal or intermittent and often can be effectively addressed by contracting it out. Contracts are normally setup for one year with optional years included. The Scope of Work for maintenance contracts is carefully written to follow the NCA Operational Standards and Measures for cemetery maintenance. Financial deductions could be levied against the contractor as well as termination of the contract should the work performance fail to meet the Standards and Measures.

b. Of the current awarded maintenance contracts utilized by NCA, how many have been awarded to SDVOSBs or VOSBs?

Response. NCA uses VOSB contractors for all maintenance contracts. NCA awarded 115 maintenance contracts in 2011. Of these, 106 were awarded to SDVOSB and 9 to VOSB contractors.

c. Given the high unemployment rate of veterans, what steps has NCA taken to hire unemployed veterans?

Response. At present, approximately 74 percent of NCA's workforce is Veterans. Building on this record, NCA partners with VA's Veterans Employment Service Office (VESO) to streamline the application and employment process for Veterans and has made several direct hires of Veterans as a result. NCA regularly conducts outreach to Veterans at large and small venues across the country, including the VA-sponsored Veterans Employment Expo in Washington, DC in January 2012 and the June 2012 National Veteran Small Business Conference and VA for Vets Veterans Hiring Fair in Detroit.

In 2012, NCA will develop and implement an employment/training program in support of the Secretary's Major Initiative, Eliminate Veteran Homelessness. Through this program NCA will partner with VA's Homeless Veterans Initiative Office, VA for Vets, and VA Learning University to identify and recruit Veterans who are homeless or at risk for becoming homeless for participation as apprentices in a year-long paid employment and training program at national cemeteries across the country. Apprentices who successfully complete the program will normally be afforded the opportunity to transition to full time employment at a National Cemetery or will be able to use training certification to pursue employment in the private sector.

Question 8. For fiscal year 2013, NCA requested $46,000,000 for state and tribal veteran cemeteries grants. According to NCA, 29 new state and tribal facilities will be opened between 2013 and 2018.

a. Please provide the number of states or tribal organizations that applied for NCA grants in 2011, and what is the projected number for 2012.

Response. The State Veterans Cemetery Grants Program (SVGP) received 14 pre-applications from 11 states/territories; we project possibly 10 pre-applications in FY 2012.

b. Of those states and tribal organizations that submitted an initial application, please provide the number that received notifications that they meet the initial requirements for grants in fiscal year 2011.

Response. Of the 14 pre-applications submitted by 11 states and tribal organizations in fiscal year 2011, all of them met the initial requirements for grants. Each of the 11 submitting states and tribal organizations was notified.

c. Please provide the number and locations of state or tribal grant proposals that have been fully approved and are waiting for VA to obligate grant money.

Response. VA has offered grant opportunities for 22 projects to be awarded this fiscal year pending all requirements are met. None of the 2012 state or tribal grant proposals have met all grant requirements for full approval yet. These requirements include completion and submission of design/bid documents, final vendor bid tabulations, final application forms, a Memorandum of Agreement, and approved final construction documents.

INSURANCE

Question 1. During 2011, the Servicemembers' Group Life Insurance Traumatic Injury Protection Program (TSGLI) published a rule in the *Federal Register* adding certain genitourinary (GU) system losses to the TSGLI schedule of losses. This additional coverage applied to all qualifying injuries since October 7, 2001.

a. Since the inception of the new rule, how many qualifying loss payments have been made under TSGLI?

Response. As of April 30, 2012, twelve TSGLI claims have been paid for genitourinary (GU) losses since December 2, 2011, the effective date of the new GU losses rule. On February 22, 2012, Insurance Service completed an outreach mailing to individuals who have been identified by the Department of Defense Joint Theater Trauma Registry (JTTR) as having suffered a GU injury and who did not receive the maximum TSGLI benefit.

b. What has been the total amount paid through TSGLI for GU system losses?

Response. The total dollar amount of TSGLI benefits paid for GU system losses is $450,000 as of April 30, 2012.

c. For fiscal year 2013, how many additional payments does VA expect will be made for retroactive awards?

Response. In FY 2013, VA estimates that 25 retroactive GU claims will be paid, for an estimated cost of $1 million. This represents one-fourth of our total estimate of 100 retroactive GU claims at a cost of $4 million. Our estimates are based on assumed response and approval rates applied to the outreach mailing to approximately 240 Veterans identified by JTTR. Although some lag in response to the mailing is expected, we would anticipate that most of the claims will be received and paid in the second half of FY 2012.

Question 2. Total insurance collections for fiscal year 2012 are currently estimated to be $1.6 billion, a $231 million increase over the original fiscal year 2012 budget estimate. The estimate for fiscal year 2013 is $1.3 billion, a decrease of $291 million from the current fiscal year 2012 estimate.

a. Given the increase in collections between the original and current fiscal year 2012 estimates, what assumptions went into determining the amount of offsetting collections VA estimates will be collected during fiscal year 2013?

Response. The decrease in collections from 2012 to 2013 is mainly attributed to a decrease in SGLI extra hazard and TSGLI payments collected from DOD. SGLI extra hazard payments are payments that fund the difference between SGLI claims incurred during hostile military action and what would be expected under peacetime experience. TSGLI payments are extra hazard payments that fund the excess of TSGLI claims paid over TSGLI premiums received. The TSGLI premium is $1 per month and is intended to cover the civilian incidence of traumatic injuries. Since SGLI extra hazard and TSGLI payments depend completely upon hostile military action, Insurance Service only projects for these types of payments early in the year of execution.

Please note that extra hazard payments and TSGLI payments are collected from DOD and then transferred to Prudential. Therefore these payments are both an obligation and a collection and as a result do not impact net outlays.

b. The fiscal year 2013 budget request includes an estimate that VA insurance will collect $188 million in "other collections" during fiscal year 2013. Please detail what other collections are included in this line item.

Response. The majority of "other collections" includes $90.3 million of repayments of policyholder's loans and liens, $8.8 million of interest earned on loans, and $87.8 million of income offsets and adjustments in the U. S. Government Life Insurance (USGLI) and National Service Life Insurance (NSLI) programs. The majority of the income offsets and adjustments is attributed to NSLI premiums received from non-cash sources such as deductions from dividends for paid-up additional insurance premiums.

READJUSTMENT BENEFITS

Vocational Rehabilitation and Employment

Question 1. According to the fiscal year 2013 budget request, the Vocational Rehabilitation and Employment (VR&E) program and the VA Loan Guaranty Service have established a task force to improve coordination of the delivery of Specially Adapted Housing to veterans.

a. Please describe what agreements or other protocols the two services have developed as a result of the task force.

Response. VR&E and Loan Guaranty Services are in the process of developing a directive that outlines their continued commitment to provide and coordinate home modifications for Veterans with severe disabilities.

b. How will VA measure the effectiveness of the task force and the coordination between agencies?

Response. Effectiveness will be measured by the number of referrals and requests for services from Loan Guaranty, the number of coordinated cases, time required to provide services, and the satisfaction level of Veterans served.

Question 2. VR&E's VetSuccess.gov Web site currently partners with DOD and DOL on veterans' employment issues. Additionally, VetSuccess.gov contains a link to the National Resource Directory with the goal of assisting veterans to find jobs.

a. Aside from the links and partnerships described above, has VR&E explored any private sector solutions or web based capabilities that assist veterans with finding employment?

Response. VR&E works with the Direct Employers Association and the National Association of State Workforce Agencies to provide Veterans access to the Job Central database with over eight million job openings listed in Fortune 500 companies and state workforce organizations. VR&E is also working with VA's Veteran Employment Service to integrate VetSuccess.gov with VAforVets. This integration will allow VetSuccess.gov to leverage the existing VAforVets' career planning and management tools for Veterans. Using funds requested in the FY 2013 Budget, these tools will be further enhanced and expanded on VetSuccess.gov to fit private industry employment needs. VR&E also provides direct links on VetSuccess.gov to a number of other private sector job boards to assist Veterans with finding employment. These include: Jobs For Vets, VetJobs, Monster.com, Simply Hired, Indeed, and JobAlot.

b. Are employers looking to hire veterans able to post job listings to the National Resource Directory or VetSuccess.gov?

Response. Employers can directly post job listings on VetSuccess.gov and search for Veterans' resumes that are a match for their staffing needs. While the Veterans Job Bank (hosted on the National Resource Directory) does not allow employers to directly post jobs, the site does identify jobs labeled as "Veteran Committed" by employers, and makes these job postings accessible for Veterans using the Veterans Job Bank.

Question 3. The fiscal year 2013 budget request for VR&E requests an additional 145 direct FTE.

a. Please describe how VR&E determined the necessity of the additional FTE.

Response. The additional FTE was determined to be essential in increasing VR&E's focus on accessible counseling, outreach, and transition services to Veterans and Servicemembers. FTE will be devoted to the VetSuccess on Campus (VSOC) and Integrated Disability Evaluation System (IDES) initiatives. In FY 2013, 90 FTE will support the IDES initiative at 27 IDES sites, while 52 FTE will be utilized to expand VSOC to 23 additional sites, and 3 FTE will be utilized for management support, training, and oversight of these two programs.

b. What is the current rehabilitation counselor to trainee ratio for VR&E?

Response. As of February 2012, the ratio is 1:140.

c. What are VR&E projections of the rehabilitation counselor to trainee ratio for the next three years?

Response. For the next three years, VR&E is projecting a counselor to Veteran ratio of approximately 1:125.

Question 4. In 2011, there were 83,332 participants in the VR&E program. That number is expected to increase to 91,874 by 2013. What are the long-term projections for participation and average degree of disability for future VR&E participants?

Response. VR&E is currently projecting a 10 percent increase after 2013 for trainees participating in the VR&E program through the completion of DOD's drawdown.

VR&E serves Veterans with various physical and psychiatric disabilities ranging from 10% to 100%. The severity and degree of disabilities that Veterans acquire cannot be accurately projected; however, the bulk of Veterans served by VR&E, have disabilities ratings between 30%–60%. This is not anticipated to change.

Question 5. For fiscal year 2013, VA requests an additional $5.9 million and 52 FTE for the expansion of VetSuccess on Campus. The expansion will add VetSuccess at 52 additional campuses serving an estimated 80,000 servicemembers, veterans, and family members.

a. Of the 28 campuses where VetSuccess is currently located, what percentage of eligible students take advantage of the program?

Response. In fiscal year 2011, VetSuccess on Campus was located at eight sites, and counselors served 5,897 Veterans. This represents 77% of the 7,662 eligible students at the eight sites. In fiscal year 2012, VetSuccess is being expanded to an additional 24 sites, bringing the total number of sites to 32. As of May, 2012, VetSuccess on Campus is located at 14 sites although six of those sites have been operational for up to two months. Thus far this fiscal year, 2,981 eligible students have taken advantage of the VetSuccess on Campus program. When factoring in return visits, VetSuccess on Campus Counselors provided services to 5,362 eligible students in fiscal year 2012 through the end of May. The number of eligible students served this fiscal year represents 55% of the 9,731 eligible students.

b. Please describe the process of selecting and opening a new VetSuccess on Campus site.

Response. The selection process focuses primarily on colleges with student Veteran enrollment greater than 800, but the process remains flexible with consideration of other factors. Collaboration with VHA's Vet program is also a factor in determining expansion locations. Additional criteria that are used to select perspective schools include:

- Willingness and ability to accommodate a full-time Vocational Rehabilitation Counselor and a full or part-time VHA employee (Vet Center or VITAL); and
- Location within 25 miles of a VA regional office, VR&E outbased office, Vet Center, VA Medical Center, or Community Based Outpatient Clinic.

Once schools are identified, memorandums of understanding are drafted and signed by school officials and regional office directors. The locally designated VA regional office coordinates office set-up, information technology, and other support at the campus.

Question 6. Rehabilitation services provided to veterans in VR&E include five separate tracks: reemployment with previous employer, rapid access to employment, self-employment, employment through long-term services, and independent living services.

a. Please provide the number of VR&E participants in each rehabilitation track.

Response. Please see the chart below for the number of participants by track as of February 29, 2012. This number is dynamic and changes daily. Track selection became a mandatory data entry field in VR&E's case management system on July 1, 2012, and as such, this chart does not represent the total participants in the VR&E program.

Re-Employment with Previous Employer	Rapid Access to Employment	Self-Employment	Employment Through Long-Term Services	Independent Living Services	No Track Identified	Total
428 0.6%	2,260 3.2%	231 0.3%	58,774 84.2%	2,731 3.9%	5,346 7.7%	69,770 100%

b. What type of rehabilitation training and resources do trainees participating in the self-employment track receive while in VR&E?

Response. VA may furnish services and assistance to Veterans with an approved self-employment rehabilitation goal based on assignment to one of two categories:

Category 1:

- Comprehensive training, incidental services such as business license fees
- Minimum stocks of materials, such as inventory of salable merchandise or goods, expendable items required for daily operations, and items which are consumed on the premises
- Essential equipment, including machinery, occupational fixtures, accessories, and appliances

Category 2:

- Incidental training in the management of a small business
- License or other fees required for employment and self-employment
- Personal tools and supplies, which the Veteran would ordinarily require to begin employment

c. How does VR&E measure rehabilitation for those participating in the self-employment track?

Response. Veterans are declared rehabilitated when they have successfully completed the self-employment program and the business has been operating and generating viable income for at least 12 months.

Question 7. The VA budget for fiscal year 2013 requests $23.9 million and a total of 200 FTE to support the expansion of IDES to include VR&E services.

a. Please describe in detail how the expansion will be administered. Please include information on which IDES sites will have VR&E counselors, at what point during the IDES process the mandatory counseling services will occur, whether counseling will commence prior to the issuance of a disability rating, and whether servicemembers will receive counseling prior to receiving a determination of an employment handicap.

Response. VBA is expanding IDES to 110 sites in FY 2012, and 90 sites in FY 2013. Installations have not yet been identified for the expansion in FY 2013, but will meet the following criteria:

- Have a population of exiting Servicemembers who are referred to the Physical Evaluation Board (PEB) that is greater than 100 per year; and
- Have the ability to accommodate one or more full-time vocational rehabilitation counselors (VRCs) onsite.

Servicemembers referred to the IDES sites will be referred to the VRCs for a mandatory counseling appointment when notified they are being referred to the PEB. Counseling will occur prior to determination of an employment handicap or disability rating.

The FY 2012 budget supports 110 FTE for the implementation of VR&E into the IDES process. This initiative will require the recruitment and hiring of 89 and the reassignment of 21 Vocational Rehabilitation Counselors by VA, and the allocation of office space at IDES installations by the Department of Defense.

This FTE will allow VR&E to serve approximately 12,000 (25%) of the anticipated 48,000 IDES participants in FY 2012. The base year of this initiative will provide data that will inform decisions related to future resource allocation. The chart below depicts the initial allocation of counselors at 48 IDES installations in FY 2012.

Military Installation	Medical Board Projection	VRCs Needed
Nellis AFB	140	1
Ft. Campbell	751	3
San Diego NMC	1105	6
Bethesda NNMC	256	2
Ft. Meade	245	2
Walter Reed NMMC	245	2
Patuxent River NMC	192	1
Andrews AFB	132	1
Ft. Drum	635	3
Ft. Gordon	1258	7
Ft. Stewart	666	3

Military Installation	Medical Board Projection	VRCs Needed
Ft. Benning	421	2
Robins AFB	133	1
Beaufort NH	152	1
Ft. Jackson	128	1
Portsmouth NMC	682	3
Ft. Eustis	450	2
Quantico NHC	180	1
Ft. Lee	152	1
Langley JB	167	1
Ft. Belvoir	134	1
Jacksonville NH	259	2
Pensacola NH	104	1
Camp Lejeune	1135	6
Ft. Bragg	884	4
Seymore-Johnson AFB	115	1
Cherry Point NH	181	1
Great Lakes FHCC	172	1
Minot AFB	100	1
Ft. Sam Houston	575	3
Ft. Sill	408	2
Sheppard AFB	108	1
Ft. Polk	646	3
Ft. Leonard Wood	520	2
Ft. Bliss	820	3
Ft. Hood	1957	9
Ft. Riley	936	4
Richardson JB	188	1
Ft. Wainwright	150	1
Ft. Carson	909	4
Hawaii NHC	253	2
Tripler AMC	497	2
Camp Pendleton	390	2
29 Palms NH	101	1
Travis AFB	145	1
Ft. Huachuca	120	1
Ft. Lewis	1060	5
Bremerton NH	115	1

b. Of the requested $23.9 million in fiscal year 2013, $5.7 million is listed as non-pay. What expenses or services are covered by this line item?

Response. The $5.7 million in non-pay consists of administrative expenses to support the implementation of the additional 90 IDES counselors requested for FY 2013. These administrative expenses cover items such as employee travel, training, office equipment, and supplies.

Veterans Retraining Assistance Program

Question 1. The Veterans Retraining Assistance Program (VRAP) was established by section 211 of the VOW to Hire Heroes Act (Public Law 112–56). Participating veterans will receive the Montgomery GI Bill-Active Duty full-time benefit rate for up to 12 months. Up to 45,000 veterans, ages 35 to 60, may participate in the program during fiscal year 2012 and an additional 54,000 veterans are eligible between October 1, 2012, and March 31, 2014.

a. What are the expected FTE requirements for processing of VRAP claims for fiscal years 2012 through 2014? Please detail that information by fiscal year and type of FTE.

Response. The temporary staffing increase for claims examiners for the processing of VRAP claims equates to 85 FTE in 2012 and 90 FTE in 2013. Expected FTE for FY 2014 are not yet finalized.

b. Given the number of expected FTE in fiscal year 2012 (2,030) and the number of FTE requested for fiscal year 2013 (1,849), what assumptions were relied on to determine that implementation of VRAP will not require VA to hire or retain more temporary or full-time staff during fiscal years 2012 through 2013 beyond the levels identified in the budget request?

VBA Response. To estimate the FTE levels required to implement VRAP, VA assumed that claims for eligibility would exceed those that are actually paid under VRAP. We estimated that 65 percent of all claims would be received in the first 90 days of the program. The expected FTE levels were based on current claims processing timeliness, the necessary FTE to support claims processing, and the anticipated initial surge of VRAP claims.

Question 2. The Post-9/11 Veterans Educational Assistance Improvements Act (Public Law 111–377) eliminated interval pay for VA education programs, including the Post-9/11 GI Bill and Montgomery GI Bill.

a. Will veterans participating in VRAP be subject to similar interval pay restrictions?

VBA Response. Veterans participating in VRAP will be subject to the same interval pay restrictions as individuals training under other VA education programs, such as the Montgomery GI Bill and the Post-9/11 GI Bill.

b. For veterans enrolled in an eligible institution, under VRAP, how will customary breaks (holiday or end of term) affect monthly payments?

VBA Response. Similar to the other VA education programs, Veterans training under VRAP will receive payment for customary breaks or holidays of less than seven days within a term. Payments will terminate at the end of each term.

Veterans Job Corps

Question 1. President Obama proposed the Veterans Job Corps during the State of the Union. The White House Press Office stated that the program would put 20,000 veterans back to work with jobs at national parks and through other related Federal conservation projects. A request of $1 billion for the new program was made part of the fiscal year 2013 VA budget request.

a. Describe in detail how the initiative would be administered. Please include information on which other agencies would participate, what the responsibilities would be of the non-VA agencies, what types of jobs are envisioned through the initiative, and what criteria would be used to select participating veterans.

b. Please describe the program in detail, including the amount of payments, subsidies, and benefits veterans would receive through this program; how much it would cost per participant; what opportunities veterans would have to continue working for the Federal agency after completing the program; and how much of the overall programmatic cost would go toward administration.

c. How did VA develop the estimate of $1 billion for the Veterans Job Corps? What offsets within VA programs does VA propose to fund this new program? If VA funding is not going to be proposed by the Administration, what other offsets does VA propose to pay for the new program?

Response. [Items a–c appeared and were answered in the prehearing responses.]

d. What are the expected staffing requirements to administer this program?

Response. Details of the Program will be finalized as part of the ongoing discussion between the Administration and Congress; however, the Veterans Job Corps initiative would likely require minimal VA staff resources.

e. How will veterans who are interested in participating be selected? How long would it take for the program to be operational and when would the first veterans begin to work under this program?

Response. Operational details regarding the Veterans Job Corps initiative will be finalized as part of the ongoing discussion between the Administration and Congress. Initial plans call for VA to leverage existing online resources to coordinate and synchronize efforts across stakeholders and to match veterans with opportunities.

Question 2. The Veterans Job Corps, although not detailed in the fiscal year 2013 VA budget request, was included as a line item in the request under the Veterans Employment and Infrastructure Enhancement Transfer Fund. I understand that VA will transfer money, from this line item, to other departments and agencies that participate in the program. How would VA distribute funds out of the Veterans Employment and Infrastructure Enhancement Transfer Fund? Would VA make direct transfers to other government agencies or would VA process individual applications independently?

Response. Operational details regarding the Veterans Job Corps initiative will be finalized as part of the ongoing discussion between the Administration and Con-

gress. Initial plans call for project proposals to be submitted by the Department of Agriculture, the Department of Interior, the National Oceanic and Atmospheric Administration (NOAA) at Commerce, the Army Corps of Engineers, and the National Cemetery Administration at VA, in conjunction with state and local agencies and with the public and other stakeholders. VA, in consultation with a Federal Steering Committee composed of policy officials representing implementing Federal agencies, will select projects for funding based on selected criteria. The projects will be implemented through contracts to businesses, cooperative agreements and grants to non-Federal entities, and by directly hiring a small number of Veterans for positions.

Question 3. The mission of the Department of Labor Veterans' Employment and Training Service is to provide "resources and expertise to assist and prepare [veterans] to obtain meaningful careers * * *." Why has VA been tasked with overseeing the Veterans Job Corps and not the Veterans' Employment and Training Service?

Response. VA and the Department of Labor share a strong interest in working together to assist Veterans secure employment and work collaboratively on a number of initiatives in this area.

Education

Question 1. According to the fiscal year 2013 budget request, VA now expects to spend $12.2 million on reporting fees during fiscal year 2012, which is 96% higher than the amount VA originally expected to spend ($6.2 million). The budget request indicates that there is "a $6 million increase in reporting fees due to legislative changes under [Public Law] 111–377, which increased the reporting fee multipliers from $7 to $12 and $11 to $15."

a. Please explain the assumptions or calculations that led to the expectation that the increases in reporting fees would nearly double the amount being spent during fiscal year 2012.

Response. There were two factors that, when combined, explain the $6 million increase in FY 2012 reporting fees from the FY 2012 budget request to the current estimate. First, based on FY 2011 actual data, the total trainees for whom reporting fees would be paid increased from 816,628 to 979,084. The programs which saw the largest projected increase based on FY 2011 data were chapter 33 (81,738) and chapter 30 (28,325). Additionally, the Veterans Retraining Assistance Program, established by section 211 of the VOW to Hire Heroes Act (Title II of Public Law 112–56), added 45,000 trainees for FY 2012. In total, the increase in estimated trainees resulted in an increase in obligations of over $1.2 million in reporting fees.

Additionally, Pub. L. 111–377 increased the reporting fee multipliers from $7 to $12 and $11 to $15. Under the old multipliers, the average fee was historically around $7.60. The same distribution of fees translates to a $12.45 average under the new multipliers, a 64% increase. When applied to the increased number of trainees for the current estimate, a 64% increase in reporting fees results in an additional $4.8 million in obligations.

b. For fiscal year 2011, how many institutions received reporting fees from VA?

Response. The reporting fee information for calendar year 2011 is not currently available.

c. Please identify the 10 largest payments made to an institution and the 10 smallest payments made to an institution.

Response. The reporting fee information for calendar year 2011 is not currently available.

d. For fiscal year 2013, how many institutions are expected to receive reporting fees from VA?

Response. Reporting fees are projected based on the number of trainees receiving education benefits in a given year. VA does not project the number of institutions expected to receive reporting fees in future years.

Question 2. In the fiscal year 2013 budget request, VA proposed legislation "to increase funding available to provide contract vocational and educational counseling" to certain veterans or members of the Armed Forces.

a. In fiscal year 2011, how many individuals requested this type of counseling, how many individuals were provided with this type of counseling, and how much in total was spent to provide counseling to those individuals?

Response. VR&E provides educational and vocational counseling services under Chapter 36 to eligible Servicemembers and Veterans. This counseling is provided by VR&E counselors nationwide and through contracts VA has awarded to provide counseling services under both Chapter 31 and Chapter 36. VR&E obligated $3.5 million for contracted services under Chapter 36 in FY 2011 and $3.6 million in FY 2010. This number was uncharacteristically low due to the fact that VR&E was

transitioning to new contracts which were awarded late in the fiscal year. By comparison, $5.4 million was obligated in FY 2009 for contracted services under Chapter 36. VR&E is unable to obtain data regarding the total number of individuals who sought and received counseling under Chapter 36 in FY 2011 due to a problem with the corporate database. The issue with the database has been identified, and VR&E is working on correcting the problem to ensure that this important data is available in the future.

b. In fiscal year 2012, how many individuals are expected to seek this type of counseling, how many individuals are expected to be provided with this counseling, and how much in total is expected to be spent on these counseling services?

Response. The current cap on Chapter 36 contracted services is $6 million for FY 2012, which will enable VR&E to fund contracted counseling for approximately 12,000 Servicemembers or Veterans. Due to the drawdown and the current job market, there may be a bigger demand for Chapter 36 counseling. If the budget allocation for contracted services exceeds this demand, the gap would be filled by VR&E counselors providing these services directly. In FY 2010, 6,501 Veterans completed Chapter 36 counseling.

c. In FY 2013, how many individuals are expected to seek this type of counseling?

Response. VR&E anticipates the need for additional funding in FY 2013; however, the current legislative limit for FY 2013 is $6 million Please note that VA has submitted a legislative proposal as part of the FY 2013 budget that would increase funding available to provide contract vocational and educational counseling to not more than $7 million in any fiscal year. The increase from FY 2012 is based on providing an additional 2,000 or more vocational assessments to exiting Servicemembers at IDES sites and/or referred by DOD as seriously disabled. Increased funding for this type of counseling will enable Servicemembers to engage in vocational rehabilitation services, including entering training and education programs, as soon as practical.

Question 3. According to the summary of readjustment benefits in the fiscal year 2013 budget request, a reimbursement of $530,000 to General Operating Expenses and Information Technology was originally expected during fiscal year 2012 and now a $4.9 million reimbursement is expected. Please describe how those funds are expected to be used during fiscal year 2012.

Response. There are three contributing factors to the increase of reimbursements to General Operating Expenses and Information Technology for FY 2012.

- An increase of $2.0 million associated with the Veterans Retraining Assistance Program, as established by section 211 of the VOW to Hire Heroes Act of 2011 (Title II of Public Law 112–56), for information technology costs associated with the administration of this program.
- An increase of $2.1 million authorized under Public Law 108–454 for the transfer of funds to reimburse for costs associated with implementing on-the-job training provisions to the Information Technology appropriation.
- An increase of $0.2 million authorized under Public Law 106–419 for the transfer of funds to reimburse for costs associated with system changes to implement new provisions related to licensing and certification to the Information Technology appropriation.

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. MARK BEGICH TO U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1: Secretary Shinseki, In your testimony, you discussed the importance of telehealth for veterans in rural areas. I introduced S. 914, to authorize the waiver of the collection of copayments for telehealth and telemedicine visits of veterans. In Alaska, there are currently an estimated 200 veterans, 100 of those living in rural Alaska, enrolled in the Veterans Health Administration's (VHA) Telemedicine Program paying up to $50 per visit for a copayment on a telehealth appointment. Do you agree that this simple fix of waiving the fee for telehealth visits would serve the VA's goal of developing and expanding the availability of telehealth care?

Response: VA is committed to utilizing telehealth in rural areas. Regarding copayments, existing statute (38 USC 1710) and Federal regulations (38 CFR §17.108, Inpatient and Outpatient, and 38 CFR §17.111, Extended Care), mandates that VA charge copayments for services provided to Veterans based on income and eligibility category. VA testified on June 28, 2011 opposing this legislation because it would create an inequity in billing practices for services provided to Veterans. VA believes it would be inappropriate to waive copayments for Veterans who receive telehealth services at a VA facility while Veterans who see their VA provider in person in the same facility would be charged a copayment.

Under existing authority, no Veteran is charged a copayment for telephone calls, since in many cases they are used simply as a means to check on the progress of a Veteran, not to deliver care. VA believes the use of video consultation into the home is analogous to that of a telephone call and that copayments for clinical video telehealth services provided directly into a patient's home should be considered for exclusion from copayments. VA amended 38 CFR 17.108 to exempt in-home video telehealth care copayments effective May 7, 2012.

Question 2: Under Secretary Hickey, Unemployment rates for veterans of the reserve components are historically higher than in the active component or the civilian population as a whole. The Army Reserve currently has an effective program in place to alleviate unemployment called the Employer Partnership of the Armed Services. The program allows the Army Reserve to partner with civilian employers to train Soldiers in so their skills sets and credentials transfer to the private sector. In return, businesses have a pool of highly qualified potential employees. Currently this initiative has 2,500 employer partners with thousands of job across the U.S. for members of the Army Reserve. The Army Reserve has 20 program managers in the field helping Soldiers be placed in these jobs. It's a great partnership, the end result being employers get a trained and reliable employee and the employer is understanding and supportive of future deployments if and when the member is called to serve. I know the VA is working very hard to train and educate Veterans to prevent unemployment and prevent homelessness. The Army Reserve spends approximately $7 million dollars on this successful program. Is there any effort within the VA to coordinate with agencies such as the Army Reserve and leverage lessons learned from successful initiatives such as this one?

Response: Veterans' employment is a top priority for VA, and the Department is taking a multi-prong approach to improving Veterans employment opportunities. For example, approximately 30 percent of current VA employees are Veterans, and VA has a target of raising that figure to 40 percent. In August 2011, the President called on VA and DOD to lead a Task Force with the White House and other agencies, including the Department of Labor (DOL), to develop proposals to maximize the career readiness of all Servicemembers. This VA-DOD Veterans Employment Initiative Task Force is one element of the President's comprehensive plan to reduce Veteran unemployment and to ensure that all of America's Veterans have the support they need and deserve when they leave the military, look for a job, and enter the civilian workforce.

VA's Vocational Rehabilitation and Employment (VR&E) Service works with other Federal agencies, such as the Federal Aviation Administration and the Department of Agriculture, to provide Veterans with jobs, apprenticeships, and on-the-job training opportunities. VR&E Vocational Rehabilitation Counselors and Employment Coordinators are stationed at the 56 regional offices and 106 out-based locations, and VR&E Service hosts its own jobs portal for Veterans called "VetSuccess.gov." Through this portal, VR&E Service has partnered with over 2,600 private employers who are interested in hiring Veterans.

VA hosts and participates in hiring fairs for Veterans to find both private and public sector jobs. On January 18, VA held a career fair in Washington, D.C. Over 4,100 Veterans attended; 2,600 Veterans participated in interviews with public and private employers, and more than 500 Veterans received tentative job offers. VA is hosting a multi-state hiring fair in Detroit, Michigan which starts on June 26, 2012. It will be held in conjunction with VA's National Veterans Small Business Conference which focuses on helping Veteran-owned businesses maximize opportunities in the federal marketplace. VA continues to partner with private sector companies and is participating in the U.S. Chamber of Commerce's "Hiring Our Heroes" job fairs.

VA has reached out to the leadership of the Employer Partnership of the Armed Forces to learn more about their program. As appropriate, VA will continue to reach out to other federal agencies that have programs aimed at improving Veterans' employment to determine if there are any lessons learned that can be shared.

Question 3: Secretary Hickey, Alaskan veterans are required to use the toll free number (1-800-827-1000) for VA benefits. They are never able to speak to a person on the other end of this line. Some report being able to schedule an appointment through the phone system, however some report being called back 4 hours earlier than scheduled (due to 4 hour time difference between east coast and Alaska) while others are never called back at all. Other veterans are not able to set up an appointment and instead have to leave their information on an answering machine. They are informed that they will get a call back within 5-7 days. Most report never getting a call back. The Veterans Services Organizations are swamped with veterans who could otherwise take care of their own needs if their phone calls were returned. Can we please look into a more effective way for Alaska Veteran's to request their benefits?

Response: As part of VA's quality control process, the Virtual Hold system is consistently monitored, and all caller feedback is carefully reviewed. The "Virtual Hold" telephone appointment system allows callers to schedule a return call during non-business hours and peak call times. This provides a choice to the caller. In order to receive a return call, callers are asked to provide their name and telephone number. Currently, the system does not allow callers to leave messages. All return calls are scheduled using Eastern Time. Callers in the Alaska Time Zone may schedule calls with the National Call Centers from 4 am to 5 pm local time.

Our current monitoring reflects that the system is functioning correctly at this time. Based on previous feedback, several enhancements were recently made to the system to provide better service to Veterans. The messages played to callers were modified and enhanced to notify callers that appointments are scheduled using Eastern Time. Additionally, the system was modified so that all calls are returned within an average of 48 hours, versus the initial seven-day appointment window. The system currently achieves a successful re-connect rate of 77 percent and makes three attempts for the return call.

To better notify Veterans and beneficiaries of the telephone appointment system, VBA is providing information through our call agents and social media sites. Inquiries can also be submitted through secure e-mail. Additionally, answers to frequently asked general and claim-specific questions can be found on the eBenefits self-service portal. (www.ebenefits.va.gov/).

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. JOHNNY ISAKSON TO U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1: In my February 2, 2012, meeting with Sec. Shinseki, I brought up the Federal Recovery Coordination program. I would like to know how the VA has responded to the May 13, 2011, GAO report that found issues with the FRC's ability to identify and enroll eligible service members; its ability to staff needed positions and effectively distribute the workload; and the challenges faced in coordinating the care of the 1,665 service members and veterans. How much of the proposed VA budget will be dedicated to this program? Are there any plans to expand or cut back this program?

Response: VA has responded to all four recommendations contained in the March 23, 2011, GAO report (GAO-11-250; issued March 23, 2011). A summary that outlines each of the four GAO recommendations and the status of actions taken by VA in response to the recommendations is below.

GAO Recommendations and Status

GAO Recommendation: We recommend that the Secretary of VA direct the Executive Director of the FRC to take four actions:

Recommendation 1: ensure that referred servicemembers and veterans who need FRC services are enrolled in the program by establishing adequate internal controls regarding the FRC's enrollment decisions. To accomplish this, the FRCP leadership should:

- Require FRCs to record in the Veteran's Tracking Application the factors they consider in making an enrollment decision; and
- Develop and implement a methodology and protocol for assessing the appropriateness of enrollment decisions; and
- Refine the methodology as needed.

Status: VA concurred with the GAO recommendation. Evaluation of potential FRCP clients is based on an assessment of the individual's medical and non-medical needs and requirements in order to recover, rehabilitate, and reintegrate to the maximum extent possible. A key feature of this process is the clinical experience of the FRCs and their clinical judgment of whether or not an individual would benefit from care coordination. Following the GAO report, FRCP immediately established a formalized process where an FRC presents the evaluation results and enrollment recommendation for review and approval. The results of the enrollment review are captured in the FRCP data management system. To provide added consistency and tracking, FRCP developed a workload intensity tool. The intensity tool is designed to provide an objective methodology and protocol for enrollment decisions. FRCP instituted the use of the intensity tool in September 2011.

It is the highest priority of FRCP to ensure that all severely wounded, ill, and injured Service members and Veterans who would benefit from care coordination are enrolled. While the program will ensure that adequate internal controls exist for enrolling individuals into FRCP, the program cannot ensure that all potentially eligible individuals are referred to FRCP. FRCP, as currently structured, is a voluntary referral program and, as such, relies on the identification and referral of those who might benefit from FRCP services by others (case managers, Command Wounded Warrior Programs, etc.). The terms "catastrophic" and "severely," often used to describe the wounded, ill, and injured populations who should be referred to FRCP, are administrative in nature and whose meaning is left to interpretation. To date, the program has relied on outreach activities and demonstrated outcomes to inform the referral process.

Recommendation 2: complete development of its workload assessment tool that will enable the program to assess the complexity of services needed by enrollees and the amount of time required to provide services to improve the management of FRCs caseloads.

VA concurred with the GAO recommendation. Determining the right caseload for each FRC is a strategic goal for FRCP. Because care coordination is a relatively new concept, particularly as implemented across and within the Federal agencies, no clear guidance or intensity

measurement tools exist to accurately determine caseloads. This is a labor intensive task that requires tool development and testing, along with validity and reliability assessments.

Since the issuance of the GAO report, FRCP developed and instituted the use of a workload intensity tool. This tool is currently used to assess all new referrals to the program. The tool is based on the professional judgment of experienced FRCs, review and evaluation of similar management tools, and detailed work activity and client logs maintained by FRCs in the past. The results yielded from the intensity tool, currently used in enrollment decisions, will be analyzed and used to further refine the tool so that it may be used to balance and measure client workload (Phase 2).

Recommendation 3: clearly define and document the FRCP's decision-making process for determining when and how many FRCs VA should hire to ensure that subsequent FRCP leadership can understand the methods currently used to make hiring decisions.

VA concurred with GAO recommendation. FRCP has documented the current process used for staffing decisions. The current process considers the anticipated referrals, enrollment projections, expected attrition, and target caseload in determining the need for additional FRCs. The current process will be revised when Phase 2 of the intensity measurement tool is in place. Staffing processes and plans are reviewed annually and updated as needed.

Recommendation 4: develop and document a clear rationale for the placement of FRCs, which should include a systematic analysis of data, such as referral locations, to ensure that future FRC placement decisions are strategic in providing maximum benefit for the program's population.

VA concurred with the GAO recommendation. FRCP will develop a FRC placement strategy based upon a systematic analysis of data as well as discussions with DOD and SOC stakeholders. The established process will be documented and updated annually in the FRCP business operation planning document.

Question 1a: How much of the proposed VA budget will be dedicated to this program? Are there any plans to expand or cut back this program?

Response: FRCP is funded through the Veterans Health Administration and is not a separate line item. In FY 2012, FRCP is funded at $6.2 million. There are no plans at this time to expand or cut back this program. Any changes to program scope or function would be considered in the context of other benefits and services provided to wounded, ill, and injured Service members and Veterans.

Question 2: There were some issues surrounding the perception that wounded service members seen by an FRC would be automatically switched to veteran status because the FRC is a VA employee. As I expressed to Sec. Shinseki, I think the FRC is a good program that has potential to address the care of service members and veterans. What has been done within this program to address this stigma, so that an FRC is seen as an effective coordinator of care and not as someone that could end a military career?

Response: FRCP has continued its outreach and education to dispel the perception that the assignment of an FRC is synonymous with the end of a military career. FRCP has partnered with the Services and wounded warrior programs to get the message out. Additionally, working with VA and DOD case managers and care coordinators to reinforce the FRC role has assisted in getting the message out to the target audience. At every opportunity, FRCP leadership and FRCs attend conferences, trainings, and briefings to increase program awareness and understanding.

Question 3: I am informed that you recently determined that VA coverage of an FDA approved prostate cancer treatment, Provenge, will only be allowed on a non-formulary basis. Access to a prescription drug that is non-formulary requires veterans to go outside of the VA, a process which takes at least 6 months to navigate. Do you believe that such a wait and bureaucratic obstacles to treatment for a veteran with metastatic prostate cancer is acceptable?

Response: Sipuleucel-T (Provenge) is an autologous immune therapy that is manufactured by collecting immune cells from the blood of a patient, mixing those removed immune cells with a complex mixture at the manufacturer's laboratory, and administering the final product to the patient intravenously. When first approved by the FDA there was restricted access to this process because of the complexity and limited abilities of the manufacturing process. Manufacturing abilities were expanded in May 2011. VA has been meeting with the manufacturer to determine the best way to make this process available to Veterans since it requires training at each medical site, coordination of blood cell collections outside of VA, and shipping and receiving issues of the final product. There are concerns in the medical community about the design of a part of the pivotal trial that found a 4.1 month survival advantage over placebo. VA has proposed making this available through Coverage with Evidence Development (CED), using a VA clinical trial similar to other CED efforts by CMS. Currently, VA has Criteria for Use for Sipuleucel-T which were finalized in April 2012.

A drug that is non-formulary does not require Veterans to go outside of VA. It is important to note that VA's "non-formulary with Criteria for Use" status is nearly identical to "formulary with prior authorization" status widely used in other health plans. As shown in the table below, other major health plans vary in coverage of Sipuleucel-T with all having this drug in either "non-formulary", "not covered", or "non-preferred" status, with or without prior authorization.

Formulary Positions for Sipuleucel-T

Drug Name	Dept. Of Veterans Affairs	DOD Uniform Formulary	DOD Basic Core	Kaiser Permanente - California	Humana*	United Healthcare*	BC/BS Illinois*
Sipuleucel (Provenge®)	Non-formulary	Non-formulary	Non-formulary	Non-formulary	NC/PA,QL	Tier 3	Tier 3

*Tier Classifications
Tier 2 - This drug is available at a mid-level co-pay. Most commonly, these are "preferred" (on formulary) brand drugs
Tier 3 - This drug is available at a higher level co-pay. Most commonly, these are "non-preferred" brand drugs
NC - Not Covered- Drugs that are not covered by the plan
PA - Prior Authorization required
QL - Quantity Limit- The quantity covered is restricted

Question 4: Veterans as a group are one of the highest at-risk groups for developing prostate cancer, especially those exposed to Agent Orange. Access to appropriate and sound cancer treatment needs to be ensured. I'm concerned that budget limitations may be impacting the care that Veterans are receiving. Are budget restrictions impacting access to quality cancer treatment?

Response: VA is committed to ensuring that Veterans in need are provided high quality cancer care. A recent study of VA's cancer program found that the quality of cancer care in VA is "generally similar to or better than care for fee-for-service Medicare beneficiaries" (Keating NL et al. Ann Intern Med. 2011; 154:727-736). The analysis further found that the "survival rate for older men with cancer in the VHA was better than or equivalent to the survival rate for similar FFS-Medicare beneficiaries" (Landrum MB et al. J Clin Oncol 2012; doi: 10.1200/JCO.2011.39.5525). Thus, there is an objective basis on which to state that the quality of cancer care in VA during the study period is at least as good as Medicare.

In the past three years, FDA approval of new anti-cancer treatments has quickened. Most of these newly approved anti-cancer treatments have resulted in significant increases in the cost of cancer care, with attendant increased scrutiny and review of the use of expensive anti-cancer drugs in general. As new treatments continue to be approved at an increasing rate, there may be increased financial pressures on VA.

Question 5: Follow up: I've heard multiple examples of new therapies for prostate cancer not being added to the national formulary and instead being set up as non-formulary, which seems to be done with the intent to restrict access. If budget restrictions are not impacting access, why wouldn't new FDA-approved drugs to treat cancer be available to all the veterans in the VA system who qualify under the labeled indication?

Response: The other new drugs for metastatic prostate cancer are cabazitaxel (Jevtana) and abiraterone (Zytiga). Both were approved for use following the failure of multiple other therapies. For example, most Veterans with prostate cancer will first receive surgery or radiation therapy. When the disease progresses, they will be started on hormone therapy. If

the disease progresses again, they will receive a standard chemotherapy drug. If the disease continues to progress, then either cabazitaxel or abiraterone are appropriate. There are adverse reactions to each of these therapies that require careful monitoring and may be complicated by other diseases commonly seen in Veterans. VA is currently developing Criteria for Use of both of these agents to help identify patients most likely to benefit from therapy and to assist in monitoring for toxicities. The cost of these therapies is approximately $3,800 to $5,900 per month.

It is important to note that VA's "non-formulary with Criteria for Use" status is nearly identical to "formulary with prior authorization" status widely used in other health plans. As shown in the table below, other major health plans vary in coverage with all having these drugs in either "non-formulary", "not covered", or "non-preferred" status, with or without prior authorization.

Formulary Positions for Selected Oncology Drugs

Drug Name	Dept. Of Veterans Affairs	DOD Uniform Formulary	DOD Basic Core	Kaiser Permanente - California	Humana*	United Healthcare*	BC/BS Illinois*
Abiraterone (Zytiga®)	Non-formulary	Formulary	Non-formulary	Formulary	Tier 3 /PA,QL	Tier 3	Tier 2/QL
Cabazitaxel (Jevtana®)	Non-formulary	Non-formulary	Non-formulary	Formulary	Unknown	Unknown	Unknown

*Tier Classifications
Tier 2 - This drug is available at a mid-level co-pay. Most commonly, these are "preferred" (on formulary) brand drugs
Tier 3 - This drug is available at a higher level co-pay. Most commonly, these are "non-preferred" brand drugs
NC - Not Covered- Drugs that are not covered by the plan
PA - Prior Authorization required
QL - Quantity Limit- The quantity covered is restricted

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. ROGER F. WICKER TO U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1: As a member of both SASC and the Veterans' Affairs Committee, you have been a champion of an interoperable electronic medical record system between the Department of Defense (DOD) and the VA. In 2007, you secured language in the FY2008 MILCON –VA Appropriations bill that requested a status report in implementation of a join DOD-VA master plan on electronic data records.

Question 1a: Mr. Secretary, as you know, I have been long been an advocate of interoperable electronic data records between DOD and the VA. Can you provide a brief update on the status of the implementation of these initiatives?

Response: The DOD/VA Interagency Program Office (IPO) has made significant, demonstrable progress on the integrated Electronic Health Record (iEHR) that is directly benefiting our Servicemembers and Veterans since the two Secretaries' decision in June of 2011 to pursue a single joint electronic health record. This includes the following key accomplishments:

- The Graphical User Interface (GUI) implementation at Tripler Army Medical Center and the Captain James A. Lovell Federal Health Care Center (Lovell FHCC) provides VA and DOD medical providers the ability to efficiently examine and review health records from both the DOD and VA systems.
- The VA awarded the iEHR Service Oriented Architecture Suite / Enterprise Service Bus (SOA Suite / ESB) Contract to Harris Corporation on March 20, 2012. The initial SOA Suite / ESB capability will be a demonstration of performance capacity against a set of metrics in order to determine the ability of the initial design to support information exchange across the iEHR network. The ESB is the "heart" of the iEHR system, and serves as the primary engine through which all of the iEHR applications will run.
- Deployed Lab Orders Portability (OP) for Lovell FHCC on March 20, 2012.
- Achieved concurrence on Integrated Program Level Requirements Document template from the functional capabilities group, Clinical Informatics Directorate and iEHR Co-PMs.

Question 1b: What challenges has your team faced during the implementation process? Does the VA require additional legislative authorities to expedite implementation?

Response: In the past, the IPO has faced challenges with both staffing and mission. However, in October 2011, VA and DOD signed the new IPO charter emphasizing its role as the single point of accountability for the Departments in the development and implementation of the integrated electronic health record (EHR) and Virtual Lifetime Electronic Record (VLER) Health systems, capabilities, and initiatives with the goal of full interoperability between the DOD and VA. VA and DOD are staffing the IPO and have established a leadership team, to include the IPO Director, Deputy Director, Technical Director, iEHR Program Managers, and VLER Health Program Manager.

Question 1c: When do you expect the merger of the DOD and VA electronic records to be complete?

Response: The IPO Advisory Board has agreed to implement iEHR baseline capability at two facilities within two years. Following Initial Operating Capability, capability will be incrementally provided through 2017, based on leadership-directed priorities.

National Call Center

Question 2: The Under Secretary of the VA recently stated the department went to national call centers in an attempt to reduce wait time for responses for veterans'. The system is designed to allow the veterans to request a call back and set up a date and time. It is my understanding that Quality control measures are in place for complaints from veterans regarding unresponsiveness and misinformation to identify in real time what transpired during a call.

- What QA measures are in place in order to reduce the wait time?

Response: Extended wait times are not acceptable customer service, and VA monitors and tracks average wait times daily for every call center. When wait times exceed three minutes, VA offers callers the capability to hold their place in line and receive a call back, rather than holding on the phone. This service enhancement has increased customer satisfaction. "Promptness in speaking to an agent" improved 4 percent on our customer satisfaction survey with a 10 point scale, from a score of 5.4 in November to 5.6 in February. Additionally, the Overall Satisfaction Index score increased 20 points, or 3 percent, from 720 in November to 740 in February. The Overall Satisfaction Index is scored on a scale up to 1000 points.

Tax Increase for Veterans:

Question 3: On a month to month basis, veterans are seeing an increase in their TRICARE medical premiums. Concurrently, they have seen their Federal Withholding increase on their monthly benefits. These changes occurred due to the expiration of a veterans' tax credit that expired at the end of 2010. Veterans did not receive an explanation for these changes on their benefit statements. You have received nearly 100 letters and phone calls from constituents on this issue.

- Mr. Secretary, beginning this past January, I have received numerous letters and phone calls from veterans in Mississippi seeking an explanation for increased TRICARE medical premiums as well as an increase in their Federal tax withholdings on their monthly statements.

  The VA did not provide an adequate explanation for these changes on the monthly customer statements. I understand these increases were due to the expiration of a veterans' tax credit last year. What initiatives will the VA undertake in the future to ensure our veterans are informed in a timely manner about changes in their statements in plain English?

Response: VA benefits are tax-exempt, so those levels have not changed. When VA benefit levels are altered, VA makes every effort to notify veterans via direct mail, internet outreach, etc. For example, in December 2011, Veterans received a cost-of-living adjustment for the first time in two years. VA posted this information on its Internet web pages and through the joint VA/DOD eBenefits portal. In addition, VA uses its Internet and social media sites to inform and educate Veterans and their families on changes to benefit levels. VA defers to the Department of Defense on what effect, if any, tax adjustments have on the TRICARE program and what are the different forms of outreach to beneficiaries.

VA Claims Backlog:

Question 4 In the January 30 Washington Post stated that "the number of pending claims before the VA stood at 853,831 on Friday, an increase of nearly 100,000 from last year and nearly 500,000 from three years ago." The previous goal of the VA has been to end the backlog by 2015. While this backlog has grown, the budget for the Veterans Benefits Administration reached $2 billion in 2012, a 20 percent increase over the previous year, which the VA says will accelerate services for veterans.

- Are veteran's receiving timely and appropriate care following submission of their claims?

Response: VA is committed to making dramatic improvements in the processing of Veterans' disability claims, and we continue our aggressive efforts to expedite the delivery of benefits. Our transformation initiatives are focused on ensuring Veterans receive the information and assistance needed to help them throughout the claims process and that they are provided with timely and accurate decisions. There is still much work to be done to ensure that all Veterans receive the level of timely and quality service they have earned and deserve. VA's transformation plan integrates people, process, and technology initiatives in an aggressive strategy to meet our 2015 goal of processing all disability claims in less than 125 days with 98 percent accuracy. VBMS' funding request is $128 million for FY 2013. This funding is critical to our transformation strategy. However, the magnitude and complexity of the changes needed are not easily accomplished and will take until 2015 to fully achieve.

VBA completed an unprecedented number of disability claims (over 1 million claims) in each of the last 2 years with the additional employees, advanced technologies, and training supported

by the budgetary increases we received. However, the volume of incoming claims has grown at an even faster pace. VBA's annual incoming claims volume over the last ten years has nearly doubled. This growth is driven by a number of factors, including our extensive outreach efforts; improved access to benefits through the joint VA and Department of Defense Pre-Discharge programs; Agent Orange presumptive disabilities for Veterans who served in the Republic of Vietnam; increased demand as a result of ten years at war; the aging of our Veteran population; new regulations for processing certain claims related to Gulf War service, traumatic brain injuries, and post traumatic stress disorder; and the impact of a difficult economy. VA's 2012 budget provides essential resources to support our integrated approach to transformation that will bring the fundamental and dramatic improvements in claims processing so urgently needed. VBA expects quality and production levels to continue to increase each year through 2015 and beyond as a result of the transformational process changes and technological advances. Our FY 2013 budget request is critical to reaching our goal of eliminating the backlog and achieving 98 percent accuracy in 2015.

Question 4b: Noting this shortfall, do you think the VA can clear the backlog of claims by 2015 as claimed?

Response: We are confident we are on the right path and making the investments necessary to transform VA to meet the needs of our Veterans and their families. Our goal is to complete all claims in less than 125 days with 98 percent accuracy. Based on current projections, VBA is on track to reach our goals. However, as our environment over the next few years changes, we may face new challenges that could impact our ability to reach our goal. Events such as the addition of new presumptive conditions, court decisions, and legislative requirements could potentially create workload surges that are not currently factored into our projections. We will continue to monitor these potential challenges.

Infectious Diseases:

Question 5: Mr. Secretary, I understand you have received several inquiries regarding the need to allow individual VAMCs to procure technologies that will help them reduce the incidence of hospital acquired infections (HAI), which are costing lives (270 per day) and costs to hospitals ($28-40 billion annually). As you know, the primary means to prevent HAIs is optimal hand washing. Hand hygiene reminder systems have proven effective in reducing HAIs by as much as 89%, and in reducing the costs associated with HAIs by as much as 67%.

- How is the VA working to ensure that individual VAMCs can procure such technologies?

Response: National Contracting and the Real Time Location System (RTLS) Program are currently evaluating bids for RTLS technology in VHA. The solicitation for bids contained criteria for an optional module incorporating hand hygiene.

Question 5b: Is the Real Time Location System part of the VA's infection control strategy to improve hand hygiene compliance and reduce HAIs?

Response: RTLS technology is one approach being considered to monitor compliance to the hand hygiene process among health care providers, but at this time, these systems are in their infancy for this application. The National Infectious Diseases Service is providing subject matter expertise to the RTLS Program for input regarding application of RTLS technology for the hand hygiene process.

Veterans Schooling—For-Profit Schools:

Question 6: Sen. Tom Carper, D-Del., a Navy veteran and chief Senate sponsor the Military and Veterans' Education Protection Act, seeks to improve the quality of education at for-profit schools by preventing any institution from surviving solely on federal aid. It would do this by preventing schools from receiving more than 90 percent of tuition from federal education programs, including all money from Education Department grants, GI Bill and survivors' education programs from the Veterans Affairs Department, and tuition assistance from the military services.

- Why are the for profit schools let on a base when veterans service organizations who would be able to counsel veterans and help them in the transition from military life to civilian life are not allow the same courtesy.

Response: VA defers to DOD regarding school representatives and Veterans service organizations access to military installations.

Home Care—Home Dialysis:

Question 7: According to estimates provided by the VA for FY2011, over 27,000 veterans have End Stage Renal Disease and approximately 16,500 of those veterans receive dialysis from the VA either on contract with a provider or on an outpatient basis from a VA facility. Many studies demonstrate that home-based dialysis therapies, including peritoneal dialysis and home hemodialysis, are less costly than in center hemodialysis, while providing equal, if not better, patient outcomes.

- What programs or efforts does the VA employ to better educate patients and professionals in the VA system about the benefits and savings associated with home-based dialysis therapies?"

Response: Education of patients with chronic kidney disease (CKD) in relation to home dialysis has been associated with an increased proportion of CKD patients selecting home dialysis as their preferred dialysis modality. With this in mind, VA's clinical practice guideline on the management of patients with CKD in primary care recommends early patient education concerning renal replacement therapy options including home dialysis modalities when there is clear evidence of progression of CKD. In addition, early referral to a nephrologist is recommended to supplement this education, to ensure the patient has a complete understanding about end stage kidney disease (ESKD) and the treatment, and to assist in patient management.

In 2011, home dialysis professional guidance was issued to the VA nephrology field detailing VA's home dialysis benefits as well as the operational requirements of and the Joint Commission standards for VA home dialysis programs.

Home Dialysis utilization reviews were conducted with VA nephrology physicians at the 2011 annual VA nephrology meeting. A home dialysis subcommittee that was formed was tasked with identifying ways to increase the availability of home therapies for Veterans and to facilitate the process of initiating home hemodialysis and peritoneal dialysis programs within VA.

One of two developing initiatives which will promote home dialysis includes a 2011 VA Innovation Initiative (funded patient education tool) entitled "*MyHealtheKidneys*." In collaboration with VA, the Medical Education Institute is designing a Veteran-centric virtual patient navigator which will usher patients into a virtual kidney clinic and empower them through education to optimize their kidney health care choices. *MyHealtheKidneys* has been enriched with information about the benefits of home dialysis modalities. The expectation is the tool will be easily accessible to Veterans and professionals nationally via the web and the Veterans Health Library, and standardize the content of the educational material that veterans receive regarding dialysis choices. The expected availability of the tool is 2013.

A second developing education initiative, targeting professional education, is the VA Specialty Care Access Networks-Extension for Community Healthcare Outcomes (SCAN-ECHO) program. SCAN-ECHO is a regularly recurring specialist-to-primary care clinician tele-consultation and education program. Renal SCAN-ECHO programs are being initiated in several regions across the country and home dialysis is expected to be an essential component of the planned curriculum.

RESPONSE TO POSTHEARING QUESTIONS SUBMITTED BY HON. SCOTT P. BROWN TO U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1: Mr. Secretary: Last week, I had the chance to ask Secretary Panetta and General Dempsey about their five-year plan to prepare for the 1 million service men and women we expect will leave the military and become veterans by 2016. What's VA's five year plan?

Response: The Administration is committed to ensuring that VA has the required capability and capacity to meet the anticipated number of transitioning Servicemembers who are seeking VA benefits and services. VA has been actively collaborating with the Department of Defense (DOD) on this issue from the Secretarial level on down, in order to identify any new requirements from both a resource and program perspective. In addition to this close collaboration with DOD, VA has and will continuously evaluate overall mission requirements through efforts such as: periodic refresh of the VA Strategic Plan; execution of planning, programming, budgeting, and evaluation (PPBE) processes through the VA Office of Corporate Analysis and Evaluation to support strategic decision-making and align resources to achieve VA priorities for Veterans; and leveraging robust data analysis and predictive modeling capabilities through the VA Office of Data Governance and Analysis to support strategic and programmatic planning and policy development.

Question 2: How many *new* jobs programs have been proposed by VA, Department of Labor and DOD in the last year? Are there other executive agencies in the mix with jobs programs that we should be aware of?

Response: VA defers to Department of Labor (DOL) and Department of Defense (DOD) to discuss job programs established within their agencies.

In the past year, the President called on VA and DOD to develop proposals to maximize career readiness of all Servicemembers to reduce Veteran unemployment and contribute to strategies for national economic recovery. The DOD-VA Veterans Employment Initiative Task Force was established that includes VA, DOD, Department of Labor (DOL), Office of Personnel Management (OPM), and Department of Education (ED). The Task Force was directed to enhance VA, DOD, and DOL programs and activities to improve the readiness and transition of our Nation's Servicemembers to Veteran status.

On November 21, 2011, the VOW to Hire Heroes Act was signed into law. The Veterans Retraining Assistance Program (VRAP) was established under this law. This program provides 99,000 unemployed Veterans with up to one year of training benefits to qualify for jobs in high-demand sectors, from trucking to technology. It also provides disabled Veterans up to one year of Vocational Rehabilitation and Employment benefits.

In the State of the Union, the President called for a Veterans Job Corps initiative to put returning Veterans back to work on projects building on military experiences and skills – from serving on conservation projects to restore and protect public lands and resources to serving our communities as law enforcement officials and firefighters. The 2013 Budget included $1 billion to fund this program for five years. The program will serve all Veterans, but will have a particular focus on post-9/11 veterans. The Administration looks forward to working with Congress to develop more detailed authorization language in support of this initiative.

VA defers to the other agencies to provide further details on their respective programs.

Question 3: I understand that DoL, VA, DOD *and* the National Resource Directory *all* have launched *separate* online resources that allow veterans to enter their military occupation code and identify possible civilian job opportunities, is that correct?

Response: Veterans' employment is a top priority for VA, and the Department is taking a multi-prong approach to improving Veterans employment opportunities. For example, approximately 30 percent of current VA employees are Veterans, and VA has a target of raising that figure to 40 percent. Our VA for Vets initiative (vaforvets.va.gov) facilitates the recruitment, reintegration, retention and hiring of Veteran employees at the Department of

Veterans Affairs (VA). The program, the first of its kind in the federal government, offers career-search tools for Veterans seeking employment at VA, career-development services for Veterans currently employed at VA, and coaching and reintegration support for military Servicemembers. A combination of online resources and one-on-one support, VA for Vets is a gateway for Veterans to find a rewarding career serving our nation's Veterans.

VA for Vets is focused on increasing the number of Veterans employed by the VA. In July 2012, VA for Vets will expand to Feds for Vets, allowing all Veterans and transitioning Servicemembers to use the online tools and in-person resources available to support employment preparation and job search across the entire federal government. This includes military-skills translation, resume building, assessments, job searches, training, and one-on-one coaching with professionally certified career coaches.

The military-skills translator included on the VA for Vets website allows Veterans to enter their military occupation code as well as rank (which accounts for years of experience); secondary, tertiary, and collateral duties; and training and certifications. All of these qualifications are factored into the civilian jobs identified, making this the most comprehensive skills translator available to Veterans. The DOD-VA Veterans Employment Initiative Task Force evaluated all military skills translators and job boards on the market and identified the VA for Vets tools as the best of the market for Veterans seeking civilian employment.

In addition, DOL, VA, DOD and the Veterans Job Bank (hosted on the National Resource Directory) each have online resources that allow Veterans to enter military occupation codes and identify possible civilian job opportunities. These resources provide similar information to meet Veterans' needs, regardless of what website they choose to utilize. Through the DOD-VA Veterans Employment Initiative Task Force, these resources will be integrated to simplify how Veterans access these resources and ensure there is a one-stop portal for accessing key employment resources.

Question 4: Are there opportunities to better streamline the jobs/employment effort under one "unity of command," so to speak, or do you think this is working as it is? How often does each separate executive agency coordinate to reduce redundancies and achieve common goals in furtherance of improving employment among veterans?

Response: There are opportunities to streamline the jobs/employment efforts. Through the DOD-VA Veterans Employment Initiative Task Force, VA, DOD, and DOL are meeting weekly to analyze federal government Veterans employment programs to identify redundancies and programs that may not be achieving their intended outcomes. We are striving to make the connections between Veterans and employers as simple and seamless as possible.

In addition, VA has a long-standing relationship with DOL, resulting in increased efficiencies in providing employment services to Veterans. VA works with each agency at the national and local level to advance, improve, and expand employment opportunities for Veterans.

VA meets with DOD and DOL on a consistent basis to coordinate efforts.

Question 5: Does VA have a plan to *measure* the success of its jobs programs?

Response: VBA's Vocational Rehabilitation and Employment (VR&E) program for service-disabled Veterans measures program success by the number of Veterans who successfully complete a plan of services and obtain suitable employment. In FY 2011, over 7,000 Veterans successfully completed a vocational rehabilitation plan. VBA participates in many job fairs nationwide including the Chamber of Commerce's "Hiring Our Heroes" Job Fairs. At this time we are tracking participation and outcomes when available.

VA and DOL are working collaboratively to implement the Veterans Retraining Assistance Program (VRAP), which was established under Public Law 112-56. However, VA defers to DOL for the measurement of employment outcomes of VRAP. VA will routinely provide DOL all necessary information pertaining to the status of each Veteran's participation in education and training programs, allowing DOL to follow-up with each participant for the purpose of providing employment assistance and tracking employment data. VA expects this information to be used in the joint VA-DOL collaborative report due to Congress by July 1, 2014.

Question 6: Will we know by this time next year how many veterans aged 18-24 used this online resource and were hired as a result?

Response: With detailed coordination with the VA field offices and headquarters staff, VA can extract data to report the number of Veterans hired in the 18-24 age range. This data call would take a significant amount of time to perform. Offices would have to report the names to the headquarters program office to crosswalk the data with online VA for Vets resources.

VetSuccess.gov, the website for VA's program focused on helping Veterans who have service-connected disabilities become suitably employed, maintain employment, or achieve independence in daily living, does not currently have the capability to report demographic information, and this will not exist by this time next year. However, VR&E Service is expanding its reporting capability and planning integration with eBenefits to capture demographic information on Veterans using VetSuccess.gov. VR&E Service will also be able to report the number of Veterans who were hired by private industry employers as a result of using VetSuccess.gov. The proposed enhancements are scheduled to be complete by June 2013.

Question 7: How many disability claims are currently *pending* in the queue and how many claims do you *expect* will be pending this same time *next* year?

Response: As of March 31, 2012, there were 861,755 disability claims pending. VBA estimates that there will be 685,455 disability claims pending at the end of FY 2013.

Question 8: Your goal is to process *every* disability compensation claim within 125 days and with 98 percent accuracy by 2015. You've also said that the *only* way to achieve this goal is to shift to an electronic *paperless* claims system—sort of like a TurboTax program for veterans claims that would take, say, 30-45 minutes to complete. Is it still your position that a paperless system is the only way to get there?

Response: Electronic paperless processing is a critical element in our ability to reach our transformation goals. VBA's Transformation Plan incorporates people, process, and technology initiatives. In order to fully gain the benefits of this transformation, we must operate in a paperless environment. The Veterans Benefits Management System will dramatically reduce the amount of paper in the current disability claims process, and employ rules-based claims development and decision recommendations where possible. VBMS' funding request is $128 million for FY 2013. This funding is critical to our transformation strategy. Additionally, by using a services-oriented architecture and commercial off-the-shelf products, VBA will be positioned to take advantage of future advances in technology developed in the marketplace to respond to the changing needs of Veterans over time.

a. Is VA still on track to meet this goal in 2015?

Response: Based on current projections, VBA is currently on track to reach this goal. However, as our environment over the next few years changes, we may have new challenges that impact our ability to reach our goal. Historically, unexpected events create a surge in VBA workload. New presumptive conditions, court decisions, and legislative requirements add unexpected volume. We will continue to monitor these challenges.

b. Is the transition to a paperless system complete, and when can we expect to see a reduction in the backlog… when will it begin to actually come down?

Response: VBA's Transformation Plan includes a strategy for conversion to a paperless system that provides a combination of scanning and electronic or web-based submission of documents. The transition to a paperless system may take an extended period of time as we continue to encourage Veterans, Servicemembers, their families, and their representatives to take advantage of our web-based and electronic systems. As VBA pursues these advances and expands the ingest strategy, we will continue to process paper claims.

Question 9: How long does an average veteran wait for his or her claim to be processed?

Response: As of March 31, 2012, the national average number of days to complete a claim in FY 2012 is 241 days.

Question 10: I'm interested in learning more about the use of advanced wound therapies by the VA for diabetic foot ulcers and venous leg ulcers. I understand 20 percent of veterans suffer from diabetes, compared to 7 percent of the total population, and that 13 percent of these veterans will develop foot ulcers that require amputation. If wouldn't mind, would you please get back to me on whether the VA Prosthetics Budget provides access to these types of therapies for our veterans? I think we have a real opportunity to provide an FDA-approved preventive therapy that can achieve wound closure and, by the way, pays for itself with an associated reduction in the number of amputations necessitated by complications arising from leg ulcers.

Response: Prosthetic and Sensory Aids Service (PSAS) is fully funded to continue provision of advanced wound care therapies and related technologies. VA increased spending for advanced wound care (e.g., therapies, equipment, products) by 66 percent in FY11 ($76M) over the amount spent for this in FY10 ($45.6M). PSAS is adequately funded in FY12, and expects to continue to be adequately funded in FY13 to provide the full spectrum of technologies and devices that Veterans need related to this care and services.

Question 11: Proper ID verification for the purpose of VA benefits not only combats fraud, mistaken identities, and overpayment, but it also improves the efficiency of ID management systems. DOD uses a smart card with biometrics for its beneficiaries to address this challenge. While the VA subscribes to the use of a smart ID card for its employees and contractors, complying with a federal mandate, I understand the VA has no plans for issuing smart ID cards to its beneficiaries. If this is true, how does the VA and the DOD plan to succeed in their joint Virtual Lifetime Electronic Record initiative if they don't have a common ID management system?

Response: For many years, VA has viewed identity management as a key tenet to improving the Department's security posture and achieving efficiencies in the management of digital identities. The Virtual Lifetime Electronic Record (VLER) will leverage current VA and DOD identity management solutions by using existing federated credentials. VA and DOD maintain the following family of products that support individual identification to systems and services in physical and virtual world.

- DOD Electronic Data Interchange Person Identifier (EDI PI)—virtual credential: is provided to all person records that exist within DOD's person data repository (i.e., Defense Enrollment Eligibility Reporting System (DEERS)). This includes DOD civilian, military, retiree, contract support, family members, DOD beneficiaries, and VA beneficiaries. DOD EDI PI is a unique number used across DOD as an identifier for DOD systems to manage accounts/records and communicate between systems about individuals without using the social security number (SSN). VA has agreed to adopt the DOD EDI PI allowing information systems in both departments to access beneficiary record. This is an essential ingredient that helps VLER to combine data from unconnected systems.

- VA provides their employees and selected contract support personnel a Homeland Security Presidential Directive (HSPD) 12 VA Personal Identity Verification Card (PIV) credential. Both the DOD PIV (CAC) and VA PIV are held to the same standards for background investigations, identity proofing, enrollment, and credentialing.

- DOD Common Access Card (CAC)—physical identification and virtual credential: is provided to DOD civilians, DOD Military, and selected contract support personnel. The DOD CAC is the Department's Homeland Security Presidential Directive (HSPD-12) Personal Identity Verification (PIV) credential. A non-CAC DOD identification card, providing physical identification, is provided to DOD family members, DOD retirees and DOD beneficiaries to support benefits and entitlements.

- Database Specification (DS) Logon credential—virtual credential: is offered to all VA beneficiaries, active/reserve military, military retirees, and DOD family members. It is a simple credential (i.e., username/password) that is intended to be used by individuals to view and act on their own information. It is linked to an individual's affiliation with DOD/VA, supported by federal identity proofing processes, and will help authenticate beneficiaries to DOD, VA and joint DOD/VA systems. DOD intends to provide DS Logon credentials to all

military personnel while they are affiliated with DOD so that the credential can transition with them to the VA. To date, there have been over 1 million DS Logon credentials distributed and they are used by VA and DOD self-service applications and portals (e.g., eBenefits, TRICARE Online, and milConnect).

VA envisions many VA and most joint DOD/VA systems using the above virtual credentials as means to authenticate beneficiaries to services (to include, but not limited to Virtual Lifetime Electronic Record (VLER) and patient portals under integrated Electronic Health Record (iEHR)) or to exchange information amongst systems. The process to enable systems is ongoing and is expected to take place over several years.

Question 12: What is the Department of Veteran Affairs' official position on the Caring for Camp Lejeune Veterans Act of 2011 (S. 277)?

Response: On June 8, 2011, VA provided testimony before the Senate Committee on Veterans' Affairs regarding various pieces of pending legislation before the Committee. S.277 was one of the pieces of legislation VA provided views on. The below text is excerpted from VA's written testimony and covers the written views VA provided on S.277.

"S. 277 Caring for Camp Lejeune Veterans Act of 2011

S. 277 would amend title 38 to extend special eligibility for hospital care, medical services and nursing home care for certain Veterans stationed at Camp Lejeune during a period in which well water was contaminated notwithstanding that there is insufficient scientific evidence to conclude that a particular illness is attributable to such contamination. It would also make family members of those Veterans who resided at Camp Lejeune eligible for the same services, but only for those conditions or disabilities
associated with exposure to the contaminants in the water at Camp Lejeune, as determined by the Secretary.

VA takes the Camp Lejeune matter very seriously but has a variety of significant concerns with this bill. For example, although we believe that the intent of S. 277 is to provide these Veterans with the same enrollment and treatment authority as for Persian Gulf and post-Persian Gulf Veterans, the bill does not do so because it fails to amend section 1710(e)(2) to address the new special eligibility provision. As the legislation is written, VA would be required to provide treatment for any condition that cannot be specifically eliminated as related to the contaminated water at Camp Lejeune. This bill would not make the special eligibility of these Veterans subject to the limitation that care may not be provided "with respect to a disability that is found, in accordance with guidelines issued by the Under Secretary for Health, to have resulted from a cause other than the service or testing described in such subparagraph." As a result, this bill grants these Veterans a broader special eligibility than that conferred on Persian Gulf and post-Persian Gulf Veterans.

The Agency for Toxic Substances and Disease Registry (ATSDR) is conducting ongoing research related to the potential exposures at Camp Lejeune. Current ATSDR research is concentrating on refining hydrological modeling to determine the extent of benzene contamination. This information will then be used along with results from ongoing population studies to determine if the potentially exposed population at Camp Lejeune has experienced an increase in adverse health effects such as birth defects, cancers, and mortality. VA will closely monitor this research and will quickly consider the findings and take appropriate action. In addition, VA will support these studies by acting on ATSDR requests to confirm specific Veteran's health issues. VA has a close working relationship with ATSDR which allows the Department to stay informed about current research.

We are also greatly concerned that the Department of Defense (DOD), and consequently VA, is unable to accurately identify those that may have visited for short periods of time at Camp Lejeune and surrounding areas during the period of potential exposure. While the legislation provides that the Secretary in conjunction with ATSDR shall determine the applicable period, discussion usually centers on the period of 1957– 1987. DOD records have proven problematic in identifying all potential beneficiaries, especially since the legislation does not provide for any limitations as to how long an individual had to be on base at Camp Lejeune. It is possible through the Defense Manpower Data Center to identify Veterans assigned to Camp

Lejeune. However, it is impossible to identify those Veterans who visited Camp Lejeune for temporary duty and many of the family members who resided at or visited the base. We note that VA treatment of family members as prescribed by S. 277 would be an unprecedented extension of VA's provision of care to non-veterans.

Veterans who are part of this cohort may apply to enroll in VA health care if they are otherwise eligible, and are encouraged to discuss any specific concerns they have about this issue with their health care provider. VA environmental health clinicians can provide these Veterans with information regarding the potential health effects of exposure to volatile organic compounds and VA's War-Related Illness and Injury Study Centers are also available as a resource to providers. Veterans are also encouraged to file a claim for VA disability compensation for any injury or illness they believe is related to their military service. Currently, Camp Lejeune disability claims are handled on a case by case basis and significant weight is given to the opinions provided by qualified medical examiners who are aware of the contaminants and their potential long-term health effects. In an effort to provide fair and consistent decisions based on service at Camp Lejeune during the period of water contamination, VA has consolidated claims processing at the Louisville Regional Office.

Because of these concerns and others about the adequacy of the underlying scientific evidence, VA does not support this bill.

It is unclear exactly how many people were potentially affected by the water contamination at Camp Lejeune, but some estimates place the number at one million Veterans and family members. VA estimates that the costs associated with this bill are $292 million in fiscal year 2012, $1.6 billion over five years, and $3.9 billion over ten years. In addition, the Department anticipates that this legislation would result in lost revenue associated with collections. VA estimates this loss of revenue to be $19.5 million in fiscal year 2012, $110 million over five years, and $213 million over ten years."

Question 13: If VA does not have an official position on S. 277, what is your plan to address the important issue that impacts over 3,000 MA Veterans, as well many other Veterans across the country relating to Veterans infected while serving at Camp Lejeune?

Response: See response to Question 12.

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Chairman MURRAY. With that, I would like to invite our second panel to join us today. As I said, I have been called to the Capitol so I will introduce the panel. I will let our first speaker go and I will be turning the gavel over in a very bipartisan way to my colleague Senator Burr, not to give you practice, only to let you do it today. [Laughter.]

I appreciate your accommodating me with this.

INTRODUCING THE *INDEPENDENT BUDGET* REPRESENTATIVES

Chairman MURRAY. If we could keep the room quiet as everybody changes chairs here I would really appreciate it because I would like to introduce the panel as they are coming out.

We are going to be moving now to our second panel. Could we please have it quiet in the room as they come up and join us and are seated in the appropriate places.

I want to extend a very, very warm welcome to a friend of mine from Washington, Bill Schrier. Mr. Schrier is the American Legion's Western Region National Vice Commander.

Bill, thank you so much for being here today and for coming all the way across the country, for the tremendous work you do, and for your participation on this panel today to bring a local perspective that I think is important for all of us to hear. So, I appreciate that.

Mr. Schrier is accompanied today by Tim Tetz, who is the Director for the National Legislative Commission for the American Legion.

We also have the witnesses here who are here on behalf today of the *Independent Budget*. Carl Blake, the National Legislative Director of the Paralyzed Veterans of America. Jeffrey Hall, the Assistant National Legislative Director for the Disabled American Veterans.

Diane Zumatto, National Legislative Director of AMVETS. Raymond Kelley, National Legislative Director for the Veterans of Foreign Wars. And finally, I want to welcome to the panel Tom Tarantino, Deputy Policy Director for Iraq and Afghanistan Veterans of America.

We are going to begin with Mr. Schrier and then move down the table in order. The *Independent Budget* witnesses will have 15 minutes total and The American Legion and Iraq and Afghanistan Veterans of America will be given 5 minutes each.

I again apologize to all of you. Obviously we have had tremendous participation, and the Committee hearing has gone longer. I know that I and my staff and all the Members of the Committee will be looking at your testimony. It is extremely important to us, and we will be submitting to you questions as well even though we do not have a lot of Members present.

And I especially want to thank Senator Burr for his accommodating my schedule as well.

So, with that, Mr. Schrier, thank you again, and we will begin with you.

STATEMENT OF WILLIAM SCHRIER, WESTERN REGION NATIONAL VICE COMMANDER, THE AMERICAN LEGION; ACCOMPANIED BY TIM TETZ, DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION

Mr. SCHRIER. Thank you, Madam Chair.

Chairman Murray, Ranking Member Burr, and Members of the Committee, I would like to take this opportunity to thank you for the invitation to be here before you today and testify on behalf of The American Legion, the Nation's largest patriotic wartime veterans service organization and about the President's proposed budget for the Department of Veterans Affairs.

The American Legion is grateful for the increase in the budget to deal with the needs of our Nation's veterans. For those who have borne the way of war for this Nation, we must always remember that a promise made is a promise that must be kept. We find like-minded allies who recognize the importance and even duty to ensure that we are keeping the promise to America's veterans.

Chairman Murray, you know the importance of holding government to the promise made to our veterans. The American Legion in Washington State knows how tirelessly you fought for the veterans at the Madigan Army Hospital Center to ensure that their

wounds of war were not being given the short end of the stick in the interest of financial savings.

The American Legion also knows how hard it is for this Committee to have fought the VA to ensure hard work on passing the Caregiver's Act and not lost the narrow implementation.

We stood with you in those fights. We are here today because you have shown the willingness to listen to the needs of America's veterans in the fight to make sure that we keep this end of the promise.

The Department of Veterans Affairs is dedicated to providing earned benefits to those who have served. The President's budget is ambitious and certainly an increase of size especially at a time when government must be seeking ways of saving money. It is a positive step forward for our veterans.

The American Legion remains concerned, however, that there are areas where a lack of foresight or faulty planning may lead the VA to default on the promise to our veterans. We cannot allow this to happen.

One of the greatest shortfalls is the proposed budget for major and minor construction. While we are pleased to see the needed projects such as mental health services building in Seattle moving forward, when viewed as a whole, the construction budget fails to meet the needs of even VA's own internal strategic building plan.

The Strategic Capital Investment Plan or SCIP provides the VA with a 10-year plan to address the most critical infrastructure needs. The American Legion was concerned that under the current budget figures it would take close to 40 years for the needs of the 10-year plan to be met.

We all heard recently on the importance of investment in infrastructure. These are the kinds of bills that you pay for now, or you pay for later. When infrastructure is given the short end up front, it becomes more expensive at the back.

Yes, these are serious needs, and yes, it will require billions of dollars in funding and these billions of dollars are those that we cannot afford not to spend. We cannot condone veterans be placed in aging facilities that cannot meet even their most basic of needs. If we fail to fund construction now, we will break the promise once again to our veterans.

Failures to reach necessary funding levels are not only concerns but must contend with this budget. We must also look closely to the VA. It intends to spend their money and where they spend their money and make sure that it is not based on smoke and mirrors but on real money that will be there when veterans need it most.

Ambitious prospects in the budget for Medical Care Collections Fund, MCCF, are unfortunately based on premises. The American Legion fears that this will not bear fruit in the real world of 2013.

Setting aside even concerns that the OIG found in the ineffective process while cost cutting for the VA over $110 million annually in revenue were unable to be collected. That is a great concern with the proposed increases in the billing amounts.

The VA's new budget proposes to bill private insurance at the preferred provider rate rather than the current Medicare rate. This

changed billing reflects 90 percent of the proposed increase in this area of the budget.

Frankly, this has never been authorized before; and even if authorized, the VA will be hard pressed to meet these overly optimistic budget targets. When this fails to generate the necessary revenue, the VA will be forced to find savings elsewhere in the budget and, of course, that means more broken promises to our veterans.

Finally, we are concerned about him the overall budget prospect as a whole in these turbulent times of fiscal strife in the government. Surely, this Committee is aware of the pessimism of the American people regarding the ability of Congress to come to terms and to pass a complete budget.

While we acknowledge that many worked tirelessly to break these budget deadlocks and surely share the frustration of the people when we cannot reach these decisions. Continuing resolutions and half measures make for uncertain planning.

While advance appropriations offers relief, there are still projects that languish waiting for start dates, contracts that linger waiting for approval of an operating budget that the government moves from month to month.

Questions remain about the VA's protection of sequestration and whether this, too, will suffer an across-the-board cut of 2 percent despite the seeming protection from previous interpretation of budget controls.

VA planners need a stable environment to ensure seamless benefits for the veterans they serve. More importantly, American veterans need to see this for themselves.

Chairman Murray, that concludes my report, and I sense we will not be taking questions right now. Again thank you and you, Senator Burr, for allowing me to be here.

[The prepared statement of Mr. Schrier follows:]

PREPARED STATEMENT OF WILLIAM F. SCHRIER, WESTERN REGION NATIONAL VICE COMMANDER, DEPARTMENT OF WASHINGTON, THE AMERICAN LEGION

Chairman Murray and Members of the Committee: On behalf of the 2.4 million members of The American Legion and our National Commander, Fang A. Wong, I appreciate this opportunity to comment on the President's budget request.

As thousands of troops return from deployments to Iraq and elsewhere in a shifting of our national security focus, it's encouraging to see that President Obama's FY 2013 budget for the Department of Veteran Affairs (VA) pivots to meet the need caused by this prioritization. On the surface, a double-digit increase in an operational budget would be the envy of any agency during these dire fiscal times. Yet, the fact that 72 percent of this increase is benefits to disabled, poor and student veterans causes the veteran advocate reason to pause. Will the resources remaining be capable to meet the needs of these returning veterans and those from previous war eras?

While grateful for this increase, The American Legion remains concerned this increase is not only short of the ultimate need, but also a byproduct of budget and funding gimmickry that will ultimately only endanger veteran care if unsuccessful. Moreover, we remain concerned that these increases are directed not toward the veteran and his/her care, but rather the bureaucratic structure unable to meet present needs of the veteran.

ADVANCED APPROPRIATIONS FOR FY 2014

Due to the successful passage of the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111–81) three of the four accounts that make up the Veterans Health Administration (VHA) are funded in advance of the traditional budget cycle. Those three accounts—medical services, medical support and compli-

ance, and medical facilities—are funded one year in advance and supplemented as necessary during the following year.

While The American Legion joined in supporting the advance appropriation model, we remain concerned accurate projections on population and utilization and other challenges still remain.

One such challenge came to our attention this year regarding the procurement of medical equipment and Information Technology (IT) purchases. When IT within the VA was combined together across the entire agency in 2006, it was implemented to improve efficiency, contracting, management and other challenges inherent with three disjointed IT management teams. This has proved somewhat successful.

However, we are hearing that procurement of medical equipment and IT is hampered at medical facilities due to budget implementation failures through continuing resolutions. While a VA medical center director might have his/her operational funding beginning October 1 because of advance appropriations, much needed IT or medical equipment might be delayed due to a continuing resolution impasse in Congress. This has a detrimental impact on the veteran and his/her care.

MEDICAL SERVICES

Over the past two decades, VA has dramatically transformed its medical care delivery system. Through The American Legion visits to a variety of medical facilities throughout the Nation during our System Worth Saving Task Force, we see firsthand this transformation and its impact on veterans in every corner of the Nation.

While the quality of care remains exemplary, veteran health care will be inadequate if access is hampered. Today there are over 22 million veterans in the United States. While 8.3 million of these veterans are enrolled in the VA health care system, a population that has been relatively steady in the past decade, the costs associated with caring for these veterans has escalated dramatically.

For example between FY 2007 and 2009, VA enrollees increased from 7.8 million to 8.1 million. During the same period, inpatient admissions increased from 589 thousand to 662 thousand. Outpatient visits also increased from 62 million to 73 million. Correspondingly, cost to care for these veterans increased from $29 billion to $39.4 billion. This 36 percent increase during those two years is a trend that dramatically impacts the ability to care for these veterans.

While FY 2010 numbers seemingly leveled off—to only 3 percent annual growth—will adequate funding exist to meet veteran care needs? If adequate funding to meet these needs isn't appropriated, VA will be forced to either not meet patient needs or shift money from other accounts to meet the need.

Even with the opportunity for veterans from OIF/OEF to have up to 5 years of care following their active duty period, we have not seen a dramatic change in overall enrollee population. Yet The American Legion remains concerned that the population estimates are dated and not reflective of the costs. If current economic woes and high unemployment rates for veterans remain, VA medical care will remain increasing enticing for a veteran population that might not have utilized those services in different times.

Finally, ongoing implementation of programs such as the Pub. L. 111–163 "Caregiver Act" will continue to increase demands on the VA health care system and, therefore, result in an increased need for a budget that can adequately deal with the challenges.

The final FY 2013 advanced appropriations for Medical Services was $41.3 billion. In order to meet the increased levels of demand, even assuming that not all eligible veterans will elect to enroll for coverage, and keep pace with the cost trend identified above, there must be an increase to account for both the influx of new patients and increased costs of care.

The American Legion recommends increasing the FY 2014 budget for VA Medical Services to $44 billion.

MEDICAL SUPPORT AND COMPLIANCE

The Medical Support and Compliance account consists of expenses associated with administration, oversight, and support for the operation of hospitals, clinics, nursing homes, and domiciliaries. Although few of these activities are directly related to the personal care of veterans, they are essential for quality, budget management, and safety. Without adequate funding in these accounts, facilities will be unable to meet collection goals, patient safety, and quality of care guidelines.

The American Legion has been critical of programs funded by this account. We remain concerned patient safety is addressed at every level. We are skeptical if patient billing is performed efficiently and accurately. Moreover, we are concerned that specialty advisors/counselors to implement OIF/OEF outreach, "Caregiver Act" im-

plementation, and other programs are properly allocated. If no need for such individuals exists, should the position be placed within a facility? Simply throwing more money at this account, increasing staff and systems won't resolve all these problems.

During the previous budget, this account grew by nearly 8 percent to $5.31 billion. The American Legion questions the necessity for that rate to continue at this time.

The American Legion recommends increasing the FY 2014 budget for VA Medical Support and Compliance to $5.52 billion.

MEDICAL FACILITIES

During the FY 2012 budget cycle, VA unveiled the Strategic Capital Investment Planning (SCIP) program. This ten-year capital construction plan was designed to address VA's most critical infrastructure needs within the VA. Through the plan, VA estimated the ten-year costs for major and minor construction projects and nonrecurring maintenance would total between $53 billion and $65 billion over ten years. Yet during the FY 2012 budget, these accounts were underfunded by more than $4 billion.

The American Legion is supportive of the SCIP program which empowers facility managers and users to evaluate needs based on patient safety, utilization, and other factors. While it places the onus on these individuals to justify the need, these needs are more reflective of the actuality as observed by our members and during our visits. Yet, VA has taken this process and effectively neutered it through budget limitations, thereby underfunding the accounts and delaying delivery of critical infrastructure.

So while failing to meet these needs, facility managers will be forced to make do with existing aging facilities. While seemingly saving money in construction costs, the VA will be expending money maintaining deteriorating facilities, paying increased utility and operational costs, and performing piecemeal renovation of properties to remain below the threshold of major or minor projects.

This is inefficient byproduct of budgeting priorities. Yet, as will be noted later, the reality remains that the SCIP program is unlikely to be funded at complete levels necessary to deliver on the ten year plan. Therefore, this account must be increased to meet the short term needs within the existing facilities.

With a final FY 2013 Advance Appropriations budget of $5.74 billion, The American Legion recommends an FY 2014 budget increase to $6 billion to ensure facilities are maintained to proper levels, particularly in an austerity period where much needed improvements by construction are being neglected and facilities are expected to extend their normal operating life.

The American Legion recommends increasing the FY 2014 Medical Facilities budget to $6 billion.

MEDICAL AND PROSTHETIC RESEARCH

The American Legion has maintained a position that VA research must focus on improving treatment for medical conditions unique to veterans. Because of the unique structure of VA's electronic medical records (VISTA), VA research has access to a great amount of longitudinal data incomparable to research outside the VA system. Because of the ongoing wars of the past decade, several areas have emerged as "signature wounds" of the Global War on Terror, specifically Traumatic Brain Injury (TBI), Posttraumatic Stress Disorder (PTSD), and dealing with the aftereffects of amputated limbs.

Much media attention has focused on TBI from blast injuries common to Improvised Explosive Devices (IEDs) and PTSD. As a result, VA has devoted extensive research efforts to improving the understanding and treatment of these disorders. Amputee medicine has received less scrutiny, but is no less a critical area of concern. Because of improvements in body armor and battlefield medicine, catastrophic injuries that in previous wars would have resulted in loss of life have led to substantial increases in the numbers of veterans who are coping with loss of limbs.

As far back as 2004, statistics were emerging which indicated amputation rates for US troops were as much as twice that from previous wars. By January 2007, news reports circulated noting the 500th amputee of the Iraq War. The Department of Defense response involved the creation of Traumatic Extremity Injury and Amputation Centers of Excellence, and sites such as Walter Reed have made landmark strides in providing the most cutting edge treatment and technology to help injured servicemembers deal with these catastrophic injuries.

However, The American Legion remains concerned that once these veterans transition away from active duty status to become veteran members of the communities, there is a drop off in the level of access to these cutting edge advancements. Ongo-

ing care for the balance of their lives is delivered through the VA Health Care system, and not through these concentrated active duty centers.

Many reports indicate the state-of-the-art technology available at DOD sites is not available from the average VA Medical Center. With so much focus on "seamless transition" from active duty to civilian life for veterans, this is one critical area where VA cannot afford to lag beyond the advancements reaching servicemembers at DOD sites. If a veteran can receive a state-of-the-art artificial limb at the new Walter Reed National Military Medical Center (WRNMMC) they should be able to receive the exact same treatment when they return home to the VA Medical Center in their home community, be it in Gainesville, Battle Creek, or Fort Harrison.

American Legion contact with senior VA health care officials has concluded that while DOD concentrates their treatment in a small number of facilities, the VA is tasked with providing care at 152 major medical centers and over 1,700 total facilities throughout the 50 states as well as in Puerto Rico, Guam, American Samoa and the Philippines. Yet, VA officials are adamant their budget figures are sufficient to ensure a veteran can and will receive the most cutting edge care wherever they choose to seek treatment in the system.

The American Legion remains concerned about the ability to deliver this cutting edge care to our amputee veterans, as well as the ability of VA to fund and drive top research in areas of medicine related to veteran-centric disorders. There is no reason VA should not be seen at the world's leading source for medical research into veteran injuries such as amputee medicine, PTSD and TBI.

In FY 2011 VA received a budget of $590 million for medical and prosthetics research. Only because of the efforts of the House and Senate, was this budget kept at that level during the FY 2012 budget due to significant pressure from The American Legion. Even at this level, The American Legion contends this budget must be increased, and closely monitored to ensure the money is reaching the veteran at the local level.

The American Legion recommends FY 2013 budget for Medical and Prosthetics Research be increased to $600 million.

MEDICAL CARE COLLECTIONS FUND (MCCF)

In addition to the aforementioned accounts which are directly appropriated, medical care cost recovery collections are included when formulating the funding for VHA. Over the years, this funding has been contentious because they often included proposals for enrollment fees, increased prescription rates, and other costs billed directly to veterans. The American Legion has always ardently fought against these fees and unsubstantiated increases.

Beyond these first party fees, VHA is authorized to bill health care insurers for nonservice-connected care provided to veterans within the system. Other income collected into this account includes parking fees and enhanced use lease revenue. The American Legion remains concerned that the expiration of authority to continue enhanced use leases will greatly impact not only potential revenue, but also delivery of care in these unique circumstances. We urge Congress to reauthorize the enhanced use lease authority with the greatest amount of flexibility allowable.

However, the collection of fees and insurance payments comprises nearly 98 percent of the revenue gathered within this account. In the previous budget cycle, this account was budgeted to decrease to $2.77 billion. The American Legion remained skeptical that the VA was meeting these deadlines even at a reduced level. We were well aware that failure to meet these budgeted amounts equated to a reduction in appropriations and therefore a reduction in services at some level.

In the first quarter of FY 2011, VHA reported a 12.3 percent decrease below the budgeted collections—an amount totaling nearly $100 million. They remained below projections for the second quarter of FY 2011 when the Senate Veterans' Affairs Committee shared our concern in a letter requesting detailed plans on how VA was going to improve on MCCF collections. To date, our fears have not been assuaged that VA can actually deliver on projected savings, even when reduced during the previous budget cycle.

In May 2011, the VA Office of Inspector General (OIG) issued a report auditing the collections of third party insurance collections within MCCF. Their audit found that "VHA missed opportunities to increase MCCF by * * * 46 percent." Because of ineffective processes used to identify billable fee claims and systematic controls, it was estimated VHA lost over $110 million annually. In response to this audit, VHA assured they'd have processes in place to turn around this trend.

According to the VA, approximately 90 percent of the proposed increase in the MCCF account for FY 2013 will be based on the ability for VA to bill private insurance companies a "preferred provider" rate rather than the Medicare rate. When

this proposal was included in previous submissions, it never was authorized. Clearly, the VA will be hard pressed to meet the collection levels optimistically budgeted for 2013. Without those collections, savings must be garnered elsewhere to meet these shortfalls, thereby causing facility administrators and VISN directors to make difficult choices that ultimately negatively impact veterans through a lack of hiring, delay of purchasing, or other savings methods.

It would be unconscionable to increase this account beyond the previous levels that were not met. To do so without increasing co-payments or collection methods would be counterproductive and mere budget gimmickry. While we recognize the need to include this in the budget, The American Legion cannot support a budget that penalizes the veteran for administrative failures.

The American Legion recommends budgeting $2.95 billion for Medical Care Cost Collections.

APPROPRIATIONS FOR FY 2013

The remaining accounts within VA are being allocated funding for FY 2013. These include funding for general operation of VA Central Office (VACO), the National Cemetery Administration (NCA) and Veterans Benefits Administration.

VETERAN BENEFITS ADMINISTRATION (VBA)

Any discussion of the VBA must include discussion of the ongoing backlog of veterans' benefits claims. Despite improvements to the claims processing system enabling VBA to process claims more rapidly, the backlog has continued to grow as the influx of claims each year continues to exceed a million claims a year over the past three years. Additional claims resulting from additions to presumptive conditions associated with the aftereffects of the chemical herbicide Agent Orange have contributed to this backlog. The American Legion can further foresee significant increases to claims as more servicemembers return from wars in Afghanistan and Iraq and are assimilated into the civilian veteran population. Further cuts to military manpower will drive more veterans into the civilian populace and as servicemembers transition from active duty to the civilian world, more claims will continue to pour in.

Despite improvements to claims processing by the beginnings of implementation of the Veterans Benefits Management System (VBMS), the VBA's fully electronic claims processing system, overall VBA will be strained beyond their already struggling capacity without proper funding to adequately address the backlog. While there have been significant improvements in funding to VBA over the past six years, this trend must continue if there is any hope to stave off disaster. The system is already strained to its limits and is struggling to even "tread water." Further improvements in this area must be made so that veterans can finally receive prompt and accurate service addressing their needs for injuries and conditions sustained during their active duty service, as well as the residual aftereffects of that selfless service.

VBA is also deeply involved in a massive overhaul of the ratings schedule for payment of disability for every major body system. Potential changes to ratings for mental health disorders and major musculoskeletal groups will be rolled out over the coming years, and implementation of these changes will require extensive training of VBA personnel to ensure they are properly administering the benefits system. The American Legion has long been critical of training within VBA, and lack of proper training contributes to high error rates which further tie up the claims systems with lengthy appeals that would be unnecessary if the claims had been decided properly, by properly trained personnel, on the first go-around.

In other areas of compensation, pension and fiduciary programs administered within VBA have been ongoing consolidation. Whether or not these consolidations contribute to savings and more efficient operation is a matter of open debate. The American Legion contends consolidation has often created more problems than it has solved, and often necessitated additional personnel at the local level to fix problems created by removing staff to remote areas out of direct contact with the veterans they purport to serve.

Furthermore, by VBA's own admission, consolidation of fiduciary programs has resulted in pulling personnel away from claims processing to be moved to the new fiduciary hubs, thereby creating a vacuum in claims processing, an area already tasked to the limit. Given the lengthy training period necessary to bring new claims processing hires up to speed and effectiveness this only portends more problems in the already troubled claims processing arena.

Increased funding in this area is necessary to provide for new employees to handle the massive caseload, more extensive and better organized training targeted to

address key areas of deficiency in claims processors, and to ensure personnel adequate for full use of the VBMS system. Furthermore, as the proliferation of pilot programs to solve the challenges of the claims systems continues to evolve, more funding will be needed to ensure that the more advanced and effective business models can be replicated and implemented on a national level so there is consistency in every Regional Office.

VBA's final FY 2012 appropriation for budget was $2 billion, a reduction from the FY 2011 levels. Given the dire need of enhancements in this area, The American Legion is recommending a 10 percent increase in this budget for FY 2013 to account for the many areas of need, including increased staffing and training. As with all areas of VA budgeting, The American Legion is concerned that any increases in funding actually reach down to the regional level, rather than be swallowed up by an endlessly expanding VACO bureaucracy. Congress has shown good faith recognizing the dire need for funding to ensure veterans receive timely access to benefits, but oversight must be exercised to ensure this money actually reaches the veteran on the street, where it is most deserved.

The American Legion recommends budgeting $2.2 billion for the Veterans Benefits Administration (VBA).

INFORMATION TECHNOLOGY

Like the VBA budget, the Information Technology (IT) budget was slightly pared back in FY 2012. The American Legion was unable to gauge the progress gained on the 76 IT projects proposed during that budget cycle. In addition to the implementation and launch of the VBMS system, the greatest long-awaited project is the launch of the joint VA and Department of Defense (DOD) lifetime record—Virtual Lifetime Electronic Record (VLER).

The American Legion remains a strong advocate for the implementation of such recordkeeping, yet we are pessimistic the VA and DOD are making sufficient progress toward that end.

During the previous budgeting, VA was unable to provide information on the overall cost of creating such a system, but assured veteran advocates there was enough flexibility to address any costs associated with the project. In the meantime, several releases and announcements have been issued by VA toward the continued evolution of this project, but there is little to demonstrate we're any closer to producing a ready model. The American Legion calls upon Congress to continue to pressure VA and DOD to move toward this system as expeditiously as possible. With the development and launch of VBMS nearly complete, the entire IT focus should center on VLER.

In order to provide the necessary resources for the nationwide rollout of VBMS and still maintain efforts toward development of VLER, The American Legion believes a small increase is justified within IT.

The American Legion recommends budgeting $3.3 billion for Information Technology.

MAJOR AND MINOR CONSTRUCTION

After two years of study the Department of Veterans Affairs (VA) developed the Strategic Capital Investment Planning (SCIP) program. It is a ten-year capital construction plan designed to address VA's most critical infrastructure needs within the Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration.

The SCIP planning process develops data for VA's annual budget requests through analysis of VA facilities nationwide. These infrastructure budget requests are divided into several VA accounts: Major Construction, Minor Construction, Non-Recurring Maintenance (NRM), Enhanced-Use Leasing, Sharing, and Other Investments and Disposal. In the 2013 budget submission, VA estimated implementation of SCIP would require between $51 billion and $62 billion. Activation of these facilities would require approximately $10 billion to $12 billion more.

The American Legion is very concerned about the lack of funding in the Major and Minor Construction accounts. In FY 2012 The American Legion recommended to Congress that the Major Construction account be funded at $1.2 billion and the Minor Construction account be funded at $800 million. However, Congress only appropriated $589 million and $482 million respectively to those accounts. Based on VA's SCIP plan, Congress underfunded these accounts by approximately $4 billion in FY 2012. Clearly, if this underfunding continues VA will never fix its identified deficiencies within its ten-year plan.

Investment Type	Estimated Cost of SCIP Implementation	FY 2013 Budget Proposal	Completion at present funding level
Major Construction	$20.1–$24.6 billion	$532 million	38–45 years
Minor Construction	$8.6–10.5 billion	$608 million	14–18 years

The American Legion also understands there is a discussion to refer to SCIP in the future as a "planning document" rather than an actual capital investment plan. Under this proposal, VA will still address the deficiencies identified by the SCIP process for future funding requests but rather than having an annual appropriation, SCIP will be extended to a five year appropriation, similar to the appropriation process used by the Department of Defense as its construction model. Such a plan will have huge implications on VA's ability to prioritize or make changes as to design or project specifications of its construction projects. The American Legion is against this five year appropriation model and recommends Congress continue funding VA's construction needs on an annual appropriations basis.

The American Legion recommends Congress adopt the 10-year action plan created by the SCIP process. Congress must appropriate sufficient funds to pay for needed VA construction projects and stop underfunding these accounts. In FY 2013 Congress must provide increased funding to those accounts to ensure the VA-identified construction deficiencies are properly funded and these needed projects can be completed in a timely fashion.

The American Legion recommends budgeting $5.3 billion for Major Construction and $1.2 billion for Minor Construction projects within VA.

STATE VETERANS HOMES CONSTRUCTION GRANTS

Perhaps no program facilitated by the VA has been as impacted by the decrease in government spending than the State Veterans Homes Construction Grant program. For the past two fiscal years, Congress has appropriated $85 million toward the construction, upgrade, and expansion of long term care facilities operated by the states.

This program is essential in providing services to a significant number of veterans throughout the country at a fraction of the daily costs of similar care in private or VA facilities. Yet, in order to qualify for the Federal grant, states must put forward a percentage of the overall planning and construction costs. With a downturn in the economy, a majority of the states have been unable to leverage state funding for these projects. That coupled with a significant increase in 2009 helped eliminate the backlog that had been building.

As the economy rebounds and states are pivoting toward resuming essential services, taking advantage of depressed construction costs, and meeting the needs of an aging veteran population, greater use of this grant program will continue. The American Legion encourages Congress to maintain the funding level of this program.

The American Legion recommends budgeting $85 million for State Veterans Homes Construction Grant program.

NATIONAL CEMETERY ADMINISTRATION (NCA)

No aspect of the VA is as critically acclaimed as the National Cemetery Administration (NCA). In the 2010 American Customer Satisfaction Index, the NCA achieved the highest ranking of any public or private organization. This wasn't a one-time occurrence; it has been replicated numerous times in the past decade. In addition to meeting this customer service level, the NCA remains the highest employer of veterans within the Federal Government and remains the model for contracting with veteran-owned businesses.

The NCA is comprised of 131 national cemeteries. NCA was established by Congress and approved by President Abraham Lincoln in 1862 to provide for the proper burial and registration of graves of Civil War dead. Since 1973, annual interments in NCA have increased from 36,400 to over 117,426 in 2011.

While NCA met their goal of having 90 percent of veterans served within 75 miles of their home, their aggressive strategy to improve upon this in the coming five years will necessitate funding increases for new construction. Congress must provide sufficient major construction appropriations to permit NCA to accomplish this goal and open five new cemeteries in the coming five years. Moreover, funding must remain to continue to expand existing cemetery facilities as the need arises.

The average time to complete construction of a national cemetery is 7 years. The report of a study conducted pursuant to the Millennium Bill concluded that an additional 31 national cemeteries would be required to meet the burial option demand through 2020. In order to adequately fund these five new cemeteries, Congress must be prepared to appropriate the resources now.

In addition, within the SCIP plan, the NCA identified a need of $563 million in major construction projects, $517 million in minor construction projects, and $231 million in activation. While not as overwhelming as the need within other agencies of the VA, these are considerable.

The American Legion recommends budgeting $100 million for each of the major and minor construction categories within NCA.

While the costs of fuel, water, and contracts have risen, the NCA operations budget has remained nearly flat for the past two budgets. Some of these expenses have been a result of efficiency transformations within the cemetery. Others have been due to the thriftiness of cemetery superintendents.

Unfortunately recent audits have shown cracks beginning to appear because of these savings. Due predominantly to poor contract oversight, several cemeteries inadvertently misidentified burial locations. Although only one or two were willful violations of NCA protocols, the findings demonstrate a system about ready to burst.

To meet the increased costs of fuel, equipment, and other resources as well as ever-increasing contract costs, The American Legion believes a small increase is necessary. In addition, we urge Congress to adequately fund the construction program to meet the burial needs of our Nation's veterans.

The American Legion recommends budgeting $260 million for National Cemetery Administration's Operating Budget.

STATE VETERANS' CEMETERIES GRANT PROGRAM

The NCA administers a program of grants to states to assist them in establishing or improving state-operated veterans' cemeteries through VA's State Cemeteries Grants Program (SCGP). Established in 1978, this program funds nearly 100 percent of the costs to establish a new cemetery, or expand existing facilities. For the past two budgets this program has been budgeted $46 million to accomplish this mission.

In 2007, the Dr. James Allen Veteran Vision Equity Act of 2007 (Public Law 110–157) authorized VA under the SCGP to provide additional Federal assistance to states for the operation and maintenance of state veterans cemeteries. Prior to passage of this law, VA could only provide Federal funds for the establishment, expansion, and improvement of state veterans' cemeteries. VA could not fund the operation or maintenance of state veterans' cemeteries.

The new authority granted by the Act authorizes VA to fund Operation and Maintenance Projects at state veterans' cemeteries to assist states in achieving the national shrine standards VA achieves within national cemeteries. Specifically, the new operation and maintenance grants have been targeted to help states meet VA's national shrine standards with respect to cleanliness, height and alignment of headstones and markers, leveling of gravesites, and turf conditions. The Act authorizes VA to award up to a total of $5 million for such purposes each fiscal year to ensure state veterans' cemeteries meet the highest standards of appearance and serve as national shrines to honor the Nation's military servicemembers with a final resting place.

In addition, this law allowed for VA to provide funding for the delivery of grants to tribal governments for Native American veterans. Yet after the passage of this act, we have not seen the allocation of funding increased to not only meet the existing needs under the construction and expansion level, but also the needs from operation and maintenance and tribal nation grants. Moreover, as these cemeteries age, the $5 million limitation must be revoked to allow for better management of resources within the projects.

State cemetery grants are managed through an intricate list of priority groups, assigning rank and priority to projects based on burial need, matching funds from the state or tribal government, and other factors. The 2012 priority list has over 100 applications for grants valued at over $250 million. Sixty applications, totaling over $150 million, already have matching funds necessary to leverage the grant money from NCA. In order to meet this growing need, the grant funding must be increased.

The American Legion recommends budgeting $60 million for State Veterans' Cemeteries Grant Program.

CONCLUSION

In conclusion, The American Legion is optimistic the President has proposed a budget adequate to meet the needs of the more than 1 million servicemembers who are returning after deployments in support of the Global War on Terror. We're hopeful savings generated through downsizing of the military are leveraged against the need of thousands of servicemembers who will be discharged to create the savings. Yet, we're more than pessimistic these will be accomplished without budget gimmickry such as carryover funds, lofty collection goals, and other schemes.

As we've seen in previous years, when these slights of hand are used, it almost always negatively impacts the care and benefits afforded to our Nation's veterans. Too often while veteran advocates celebrate dramatically increased budgets, the veteran patient, claimant, or widow is left wondering where the money went. We must not do so again.

Our Nation's veterans deserve adequate and responsible funding to the fullest level possible. After over a decade of service, our newest era of veterans will join the ranks of generations of their brothers and sisters who are owed a great debt.

Our debt is one paid for by the sweat in the ungodly heat of Iraq. Our liability was earned by the young Marine trudging up and down the rugged mountains of Afghanistan. This obligation was earned in the darkened cockpit of a medical evacuation flight jetting over the Atlantic. It is a debt of tears, blood and sacrifice and deserves to be repaid in honest true money.

Chairman MURRAY. Mr. Blake.

STATEMENT OF CARL BLAKE, THE NATIONAL LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. BLAKE. Madam Chairman, Senator Burr, on behalf of the coauthors of the *Independent Budget*, the Paralyzed Veterans of America is pleased to be here today to offer our views on the Administration's budget request for fiscal year 2013 and the Advance Appropriation for Fiscal Year 2014.

In the interest of time, I will limit my comments to just a couple of concerns with particular issues that are in the budget request.

First, let me say up front we certainly appreciate the increase that the Administration has provided for in its budget request. That being said, we have real concerns as addressed also by the Committee Members here about the impact that sequestration may have.

Simply put, we find it absurd that more than 6 months after the Budget Control Act was passed, there is still no definitive position on whether or not VA programs, and in particular health care programs, are protected from sequestration. I think the Committee and all the Members of Congress have made it clear, and I think it is time for a final decision to be made.

With regards to some specific issues in the budget request, we echo the concerns that were raised here by Members of the Committee with regards to medical care collections and the roller coaster ride that has existed in recent years in determining the estimates for that.

We also agree with the concerns that were raised about perceived management and the program improvements and efficiencies, whether those savings were actually realized and the impact of not realizing those savings may have on the delivery of health care.

Probably, the largest or the single biggest concern that we have, however, is with a particular disclosure in the President's budget that outlines what they have said is approximately a $3 billion excess in resources that were provided for fiscal year 2012 and about $2 billion in excess resources for fiscal year 2013.

This fact sort of begs the question. How can the Administration clearly say that they have $3 billion in excess resources for this fiscal year with fully 7 months of the fiscal year left to go?

You know, we all hear the stories about shortages in staffing and those questions were raised earlier and all these different things. It just sort of boggles the mind that we suddenly have this excess resources, and we are not talking about a small pot of money either. We are talking about 5 percent of the VA budget.

It is particularly troubling in light of the fact that the VA could potentially face a cut of 2 percent under sequestration. So, we would certainly encourage the Committee and all the Members of Congress to really investigate this and get to the bottom of this.

This single fact could pose a bigger problem for the VA in its delivery of care than any other issue that the VA is facing, we believe, in the coming years, this year and in the coming years.

With regards to fiscal year 2014 advance appropriation, I would just highlight a couple of concerns that we have.

First, with regards to the increase in medical support and compliance, I would point to the fact that it is a some pretty substantial increase projected for 2014. This is not unlike some of the comments you made, Senator Burr, about the growth in administrative function within the VHA.

At the same time, the advance appropriation provides for a very substantial decrease in medical facilities. While I understand that some of that is based on the assumption that they will transfer a certain amount of money and some FTE from the medical facilities into medical services, it also is contingent on a cut in nonrecurring maintenance of almost halving that account.

I think given a lot of discussion in recent years about the impact of funding on nonrecurring maintenance and what effect it is having on VA facilities, the Committee should certainly be interested in looking into that further, and I know my colleague from the VFW as he addresses construction will probably touch on this as well.

And so with that, I will conclude my statement and will be happy to take any questions you may have.

[The prepared statement of Mr. Blake follows:]

PREPARED STATEMENT OF CARL BLAKE, NATIONAL LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Chairman Murray, Ranking Member Burr, and Members of the Committee, as one of the four co-authors of *The Independent Budget* (*IB*), Paralyzed Veterans of America (PVA) is pleased to present the views of *The Independent Budget* regarding the funding requirements for the Department of Veterans Affairs (VA) health care system for FY 2013.

As the country faces a difficult and uncertain fiscal future, the Department of Veterans Affairs likewise faces significant challenges ahead. Following months of rancorous debate about the national debt and Federal deficit during the summer of 2011, Congress agreed upon a deficit reduction measure, Public Law 112–25, that could lead to cuts in discretionary and mandatory spending for VA. The coauthors of *The Independent Budget*—AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars—have serious concerns about the potential reductions in VA spending. While changes to benefits programs and cuts to discretionary programs have unique differences, the impact of these possibilities will be equally devastating for veterans and their families.

Discretionary spending in VA accounts for approximately $62 billion. Of that amount, nearly 90 percent of that funding is directed toward VA medical care programs. The VA is the best health-care provider for veterans. Providing primary care

and specialized health services is an integral component of VA's core mission and responsibility to veterans. Across the Nation, VA is a model health-care provider that has led the way in various areas of medical research, specialized services, and health-care technology. The VA's unique system of care is one of the Nation's only health-care systems that provides developed expertise in a broad continuum of care. Currently, the Veterans Health Administration serves more than 8 million veterans and provides specialized health-care services that include program specific centers for care in the areas of spinal cord injury/disease, blind rehabilitation, Traumatic Brain Injury, prosthetic services, mental health, and war-related polytraumatic injuries. Such quality and expertise on veterans' health care cannot be adequately duplicated in the private sector. Any reduction in spending on VA health-care programs would only serve to degrade these critical services.

The Independent Budget veterans service organizations (IBVSOs) are especially concerned about steps VA has taken in recent years in order to generate resources to meet ever-growing demand on the VA health-care system. In fact, the FY 2012 and FY 2013 advance appropriation budget proposal released by the Administration last year included "management improvements," a popular gimmick used by previous Administrations to generate savings and offset the growing costs to deliver care. Additionally, the FY 2013 Budget Request and FY 2014 advance appropriation recommendation includes many of the same "management and program improvements." Unfortunately, these savings are often never realized leaving VA short of necessary funding to address ever-growing demand on the health-care system. In fact, the Government Accountability Office (GAO) outlined its concerns with this budget accounting technique in a report released to the House and Senate Committees on Veterans' Affairs in June 2011. In its report, the GAO states:

> If the estimated savings for fiscal years 2012 and 2013 do not materialize and VA receives appropriations in the amount requested by the President, VA may have to make difficult tradeoffs to manage within the resources provided.

This observation reflects the real possibility that exists should VA health care, as well as other programs funded through the discretionary process, be subject to spending reductions.

Moreover, we believe that continued pressure to reduce Federal spending will only lead to greater reliance on gimmicks and false assumptions to generate apparent but illusory funding. This is particularly true given the VA's claim in the FY 2013 Budget Request that it was provided nearly $3.0 billion in excess resources in FY 2012 and more than $2.0 billion in excess resources in FY 2013. We question how the VA can make such a claim, particularly about FY 2012, when there remains fully seven months in this current fiscal year (FY 2012). This information deserves the highest level of scrutiny and oversight that this Committee can provide. While the VA claims that changes in its assumptions included in its actuarial model have led to this determination, the *IB* would argue that wide-ranging and sweeping changes in its assumptions would be necessary to lead to an approximately five percent change in funding needs. Additionally, the claim of excess resources does not seem to match the all-too-common reports that we receive of understaffed facilities and unavailability of services.

In light of the Administration's continued inability to determine its position with regards to sequestration, we have serious concerns about the fact that the VA claims to have nearly five percent in excess resources when it faces the prospect of up to a two percent reduction in funding under the rules of sequestration. We cannot emphasize enough the need for VA to state unequivocally that its programs will not be cut through sequestration.

Meanwhile, Congress once again failed to fulfill its obligations to complete work on appropriations bills funding all Federal departments and agencies, including VA, by the start of the new fiscal year on October 1, 2011. Fortunately, as has become the new normal, last year the enactment of advance appropriations shielded the VA health-care system from the political wrangling and legislative deadlock.

Finally, the IBVSO's remain concerned about the continued downward revision of estimates in Medical Care Collections. In fact, in its original advance appropriation estimate for FY 2012, the VA projected collections of approximately $3.7 billion. Last year, the Administration revised that estimate to approximately $3.1 billion. This year, the Administration once again revised the collections estimate for FY 2012 down to approximately $2.7 billion. At the same time, the collections estimate for FY 2013 was revised down from an estimate of $3.3 billion last year to a current estimate of approximately $3.0 billion. Given these revisions, we believed then, and continue to believe now, that the VA budget request and ultimately the funding pro-

vided through the appropriations process, was insufficient for VA to meet the demand on the health-care system, and may be insufficient going forward.

FUNDING FOR FY 2013

For FY 2013, *The Independent Budget* recommends approximately $57.2 billion for total medical care, an increase of $3.3 billion over the FY 2012 operating budget level provided as an advance appropriation by Public Law 112–10, the "the Department of Defense and Full-Year Continuing Appropriations Act for FY 2011." Meanwhile, the Administration recommended an advance appropriation for FY 2013 of approximately $52.5 billion in discretionary funding for VA medical care as a part of its FY 2012 Budget Request. When combined with the $3.3 billion Administration projection for medical care collections, the total available operating budget recommended for FY 2013 is approximately $55.8 billion.

The medical care appropriation includes three separate accounts—Medical Services, Medical Support and Compliance, and Medical Facilities—that comprise the total VA health-care funding level. For FY 2013, *The Independent Budget* recommends approximately $46.0 billion for Medical Services. Our Medical Services recommendation includes the following recommendations:

Current Services Estimate	$43,855,969,000
Increase in Patient Workload	$1,510,394,000
Additional Medical Care Program Costs	$675,000,000
Total FY 2013 Medical Services	$46,041,363,000

Our growth in patient workload is based on a projected increase of approximately 110,000 new unique patients—priority groups 1–8 veterans and covered nonveterans. We estimate the cost of these new unique patients to be approximately $1 billion. The increase in patient workload also includes a projected increase of 96,500 new Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF), as well as Operation New Dawn (OND) veterans at a cost of approximately $349 million. Our recommendations represent an increase in projected workload in this population of veterans over previous years as a result of the withdrawal of forces from Iraq, the drawdown of forces in Afghanistan, and a potential drawdown in the actual number of servicemembers currently serving in the Armed Forces. And yet, we believe that growth in demand for this cohort specifically could be far greater given the changing military policies mentioned above.

Finally, our increase in workload includes the projected enrollment of new priority group 8 veterans who will use the VA health-care system as a result of the Administration's continued efforts to incrementally increase the enrollment of priority group 8 veterans by 500,000 enrollments by FY 2013. We estimate that as a result of this policy decision, the number of new priority group 8 veterans who will enroll in VA should increase by 125,000 between FY 2010 and FY 2013. Based on the priority group 8 empirical utilization rate of 25 percent, we estimate that approximately 31,250 of these new enrollees will become users of the system. This translates to a cost of approximately $134 million. When compared to the projections that the Administration had previously made for increased utilization for this Priority Group, we believe that our recommendations are on target for those projections.

The Independent Budget also believes that there are additional projected funding needs for VA. Specifically, we believe there is real funding needed to restore the VA's long-term-care capacity (for which a reasonable cost estimate can be determined based on the actual capacity shortfall of VA) and to provide additional centralized prosthetics funding (based on actual expenditures and projections from the VA's prosthetics service). In order to restore the VA's long-term care average daily census (ADC) to the level mandated by Public Law 106–117, the "Veterans Millennium Health Care and Benefits Act," we recommend $375 million. In order to meet the increase in demand for prosthetics, the *IB* recommends an additional $300 million. This increase in prosthetics funding reflects a significant increase in expenditures from FY 2011 to FY 2012 (explained in the section on Centralized Prosthetics Funding) and the expected continued growth in expenditures for FY 2013. Additionally, it is worth noting that the VA has actively implemented the new caregiver program mandated by Public Law 111–163, the "Caregivers and Veterans Omnibus Health Services Act." However, we believe that still greater funding should be appropriated, above what the VA has currently allocated for this program, in order to more effectively and efficiently operate the program.

For Medical Support and Compliance, *The Independent Budget* recommends approximately $5.6 billion. Finally, for Medical Facilities, *The Independent Budget* recommends approximately $5.6 billion. While our recommendation does not include an additional increase for nonrecurring maintenance (NRM), it does reflect a FY 2013 baseline of approximately $900 million. While we appreciate the significant increases in the NRM baseline over the last couple of years, total NRM funding still lags behind the recommended two to four percent of plant replacement value. In fact, VA should actually be receiving at least $2.1 billion annually for NRM (Refer to Construction section article "Increase Spending on Nonrecurring Maintenance).

For Medical and Prosthetic Research, *The Independent Budget* recommends $611 million. This represents a $30 million increase over the FY 2012 appropriated level. We are particularly pleased that Congress has recognized the critical need for funding in the Medical and Prosthetic Research account in the last couple of years. Research is a vital part of veterans' health care, and an essential mission for our national health care system.

Last, Mr. Chairman, I would like to note one late change to our *IB* budget recommendations for State Home Construction Grants which arose after we went to press. Late last week VA finally released the FY 2012 grant priority list for State Home repair, renovation and new construction projects and there was a significant increase in State matching funds certified as available. After reviewing the newly released Priority List for FY 2012, there is now $321 million worth of Priority 1 State Home projects for which the States have certified matching funds available. As a result, the Federal funding required for Priority 1 projects will be at least $204 million in FY 2013, and that number is likely to rise even higher as States approve additional matching funding this year for a backlog of projects currently estimated at $400 million. While this recommendation is not reflected specifically in *The Independent Budget*, this change reflects what we believe our recommendation should now be.

ADVANCE APPROPRIATIONS FOR FY 2014

As we have noted in the past, Public Law 111–81 requires the President's budget submission to include estimates of appropriations for the medical care accounts for FY 2013 and subsequent fiscal years. With this in mind, the VA Secretary is required to update the advance appropriations projections for the upcoming fiscal year (FY 2013) and provide detailed estimates of the funds necessary for the medical care accounts for FY 2014. Moreover, the law also requires a thorough analysis and public report of the Administration's advance appropriations projections by the Government Accountability Office (GAO) to determine if that information is sound and accurately reflects expected demand and costs.

The GAO's responsibility is more important than ever, particularly in light of their findings concerning the FY 2012 budget submission last year. The GAO report that analyzed the FY 2012 Administration budget identified serious deficiencies in the budget formulation of VA. Yet these concerns were not appropriately addressed by Congress or the Administration. This analysis and the subsequent lack of action to correct these deficiencies simply affirm the ongoing need for the GAO to evaluate the budget recommendations of VA.

As for the specific recommendations for advance appropriations for FY 2014 offered by the Administration, considering our concerns about the funding levels provided for FY 2012 and FY 2013, we believe that those estimates may be insufficient to meet the continuing increase in demand for health care services. We are also skeptical of the substantial increase in funding that the Administration calls for in the Medical Support and Compliance account for FY 2014. Given the scrutiny on funding for administrative functions within the VA health care system, we are not certain that this projected increase truly reflects a wise investment in resources.

Last, we have serious concerns about the significant reduction in funding projected for Medical Facilities in FY 2014. While we understand that the Administration intends to transfer approximately $320 million in resources and 1,080 FTE from Medical Facilities to Medical Services in FY 2014, this does not fully account for the reduction in funding. The Administration's proposal also reflects a plan to reduce funding for Non-Recurring Maintenance by nearly $300 million as well. This substantial decrease in NRM funding certainly cannot be justified given the massive backlog of maintenance and construction projects that currently exists. This fact is even more troubling given the GAO's findings in its report on advance appropriations last year that identified deficiencies in NRM funding. We encourage the Committee to conduct aggressive oversight to ensure that the Administration is not cutting funding in these critical areas simply as a way to drive down its spending projections.

In the end, it is easy to forget, that the people who are ultimately affected by wrangling over the budget are the men and women who have served and sacrificed so much for this Nation. We hope that you will consider these men and women when you develop your budget views and estimates, and we ask that you join us in adopting the recommendations of *The Independent Budget*.

This concludes my testimony. I will be happy to answer any questions you may have.

Senator BURR [presiding]. Thank you.

Mr. Hall.

STATEMENT OF JEFFREY HALL, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS

Mr. HALL. Ranking Member Burr, thank you.

On behalf of the Disabled American Veterans and as a co-author of the *Independent Budget*, I am pleased to be here today on behalf of our 1.4 million members to offer our views and recommendations regarding the independent budget for fiscal year 2013 as it relates to veterans benefits programs, judicial review, and the Veterans Benefits Administration.

As you know, we are now on our third year of VBA's latest effort to transform its outdated, inefficient claims processing system into a modern rules-based digital system.

Over the next year, we will begin to see whether those strategies to transform the people, processes, and technologies will finally result in a cultural shift away from speed and production into a business culture of quality and accuracy which to us is truly the only way to get the backlog of claims under control.

Although we have been very pleased with VBA's increasing partnership and collaboration with VSO stakeholders, we urge this Committee to provide constant and aggressive oversight of the many transformation activities taking place throughout this year.

Perhaps the most important initiative, as you know, is the Veteran's Benefits Management System or VBMS, which is scheduled to begin its roll out nationally in June of this year with final completion of the roll out in late 2013.

So, as VBA works to complete, perfect, and the deploy this vital new IT system, it is absolutely crucial that sufficient resources are provided.

We do note, Ranking Member Burr, that the budget for VBMS drops down from $148 million in fiscal year 2012 to $128 million in fiscal year 2013. While we do not know the reason for the decrease in budget, we cannot emphasize enough the vital importance of the VBMS and the need for sufficient funding in order to complete the development and implementation. We hope this Committee will thoroughly examine whether that level of funding is sufficient also.

In order to sustain VBA's transformation efforts, the *IB* for fiscal year 2013 recommends maintaining current staffing levels in most business lines. Given the large increases in claims processors over the past few years, we believe VBA should be focusing its efforts on properly training new and existing employees with an emphasis on quality and accuracy to ensure that claims are done right the first time.

We note that the vocational rehabilitation and employment service budget proposal for fiscal year 2013 does request funding for ap-

proximately 150 new counselors designated for the expansion into the integrated disability evaluation system and the VetSuccess on Campus Program.

We fully support both of these increases and these programs. However, in order to reach voc rehabs target of having one counselor for every 125 veterans served, they will need approximately 195 additional counselors in fiscal year 2013 to accomplish this.

Additionally, the *Independent Budget* is also recommending a staffing increase at the Board of Veterans Appeals. Although the board is currently authorized to have 544 full-time employees, its adopted budget for fiscal year 2012 only supports 532; and for fiscal year 2013, the budget request further would reduce that number to 527.

Looking at the historical appeals rates and the rising number of original compensation claims, the IBVSOs recommend that the VBA be provided sufficient funding for an authorized workforce of, in fiscal year 2013, of at least 585 full-time employee equivalents.

Finally, the IBVSOs once again call on Congress to enact legislation to finally end the inequitable prohibition on concurrent receipt for all disabled veterans and eliminate the unfair offset between the survivors benefit plan and the dependents' indemnity compensation for veterans widows and their dependents.

Ranking Member Burr, this concludes my statement. I will be happy to answer any questions.

[The prepared statement of Mr. Hall follows:]

PREPARED STATEMENT OF JEFFREY C. HALL, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS

Chairman Murray, Ranking Member Burr and Members of the Committee: On behalf of the Disabled American Veterans (DAV) and our 1.2 million members, all of whom are wartime disabled veterans, I am pleased to be here today to present recommendations of *The Independent Budget* (*IB*) for the fiscal year (FY) 2013 budget related to veterans benefits, judicial review and the Veterans Benefits Administration (VBA). *The Independent Budget* is jointly produced each year by DAV, AMVETS, Paralyzed Veterans of America and Veterans of Foreign Wars. While there are dozens of recommendations in this year's Independent Budget related to VBA's benefit programs and claims processing reform, I will only highlight some of the most critical ones in my testimony, and commend the full text of the *IB* that is now available online.

Madam Chairman, we are now in the third year of VBA's latest effort to transform its outdated, inefficient, and inadequate claims-processing system into a modern, automated, rules-based, and paperless system. VBA has struggled for decades to provide timely and accurate decisions on claims for veterans' benefits, especially veterans' disability compensation, and there have been numerous prior reform attempts that began with great promise, only to fall far short of success. Over the next year, we will begin to see whether their strategies to transform the people, processes and technologies will finally result in a cultural shift away from focusing on speed and production to a business culture of quality and accuracy, which is the only way to truly get the backlog under control.

RESOURCE RECOMMENDATIONS

Adequate Staffing for the Veterans Benefits Administration

In order to sustain the transformation efforts underway at VBA, *The Independent Budget* for FY 2013 generally recommends maintaining current staffing levels in the VBA, with only modest increases for the Vocational Rehabilitation and Employment Service and the Board of Veterans' Appeals. Due to substantial support from Congress, VBA's Compensation Service experienced significant staffing increases between fiscal years 2008 and 2010, which supported an increase in the number of claims processed each of those years. Unfortunately, however, an even larger increase in new and reopened claims volume contributed to a rising backlog. Histori-

cally, it takes approximately two years for a new Veterans Service Representative (VSR) to acquire sufficient knowledge and experience to be able to work independently with both speed and accuracy. It takes an additional period of at least two years of training to become a Rating Veterans Service Representative (RVSR) with the skills to accurately complete most rating claims. As such, the full productive capacity of the employees hired in recent years is only now becoming evident.

This year VBA will roll out a new operating model for processing claims for disability compensation, which will change the roles and functions of thousands of VSRs and RVSRs at Regional Offices across the country. VBA is also planning to launch new IT systems, including the Veterans Benefits Management System (VBMS) and expand the functionality of their eBenefits system. Together these transformations are expected to have a significant effect on the productive capability of VBA's workforce. While these changes are being fully implemented, and the effect on workforce requirements analyzed, the *Independent Budget* veterans service organizations (IBVSOs) do not recommend an increase in staffing for VBA's Compensation Service for FY 2013. However, we do recommend that VBA initiate a scientific study to determine the workforce necessary to effectively manage its rising workload in a manner that produces timely and accurate rating decisions.

Moving forward, should there be a decline in personnel dedicated to producing rating decisions, an increase in claims or the backlog, or should any of the long-awaited VBA information technology initiatives fail to produce the projected reductions in processing times for claims, Congress must be prepared to act swiftly to intervene with the additional staffing resources.

Staffing Increase for Vocational Rehabilitation and Employment Service

In 2009, the Government Accountability Office (GAO) conducted a study to assess the Vocational Rehabilitation and Employment Services' (VR&E's) ability to meet its core mission functions. GAO found that 54 percent of VBA's 57 regional offices reported they had fewer counselors than needed and 90 percent reported that their caseloads have become more complex since veterans began returning from Afghanistan and Iraq.

VBA's current caseload target is one counselor for every 125 veterans served; however, feedback received by the IBVSOs from counselors in the field suggested an actual workload as high as one to 145. Based on comparisons with state vocational rehabilitation programs and discussions with VR&E personnel, even the 1:125 ratio may be too high to effectively manage VR&E's workload, particularly in providing service to seriously disabled veterans.

Madam Chairman, we are pleased to note the VR&E budget proposal for FY 2013 does request funding for approximately 150 new counselors; however, these individuals are designated for expansion of the Integrated Disability Evaluation System and the VetSuccess on Campus program. While the IBVSOs fully support both of these increases and programs, we cannot be certain what impact, if any, these additional out-based counselors will have on the VR&E's current caseload ratio of approximately 1:145.

However, based upon the feedback from the field and VBA's projections of future workload, in order for VR&E to meet their caseload target of one counselor for every 125 veterans served the IBVSOs are recommending an increase in funding for VR&E to accommodate approximately 195 additional full-time employees for FY 2013.

Staffing Increase for the Board of Veterans' Appeals

The Independent Budget also recommends a funding increase at the Board of Veterans' Appeals (Board) sufficient to support an authorized workforce of at least 585 full-time employee equivalents (FTEE) for FY 2013. Based on historical trends, the number of new appeals to the Board averages approximately five percent of all claims received, so as the number of claims processed by VBA is expected to rise significantly, so too will the Board's workload rise commensurately. Considering the number of claims processed at VBA having grown to over one million, and projected to rise even higher, it is virtually certain that the Board's workload will begin to escalate even faster.

The Board is currently authorized to have 544 FTEEs; however, its budget in FY 2011 could only support 532 FTEEs. The FY 2013 the budget proposal calls for a further reduction down to 527 FTEE; however, expected workload projections by the Board indicate that the authorized level for FY 2013 should be closer to 585 FTEEs. The IBVSOs are concerned that unless additional resources are provided to the Board, its ability to produce timely and accurate decisions will be constrained by an inadequate budget, and either the backlog will rise or accuracy will fall. Neither

of these outcomes is acceptable. At a minimum, Congress should increase funding to the Board in order to sustain 585 FTEE in FY 2013.

Dedicated Courthouse for the Court of Appeals for Veterans Claims

Madam Chairman, I would also like to highlight a recommendation in this year's *Independent Budget* concerning the United States Court of Appeals for Veterans Claims. Since the Court's inception in 1988, it has been housed in commercial office buildings, making it the only Article I court that does not have its own courthouse. The IBVSOs believe that the Court should be accorded at least the same degree of respect enjoyed by other appellate courts of the United States. Congress previously acted on this in fiscal year 2008 by allocating $7 million for preliminary work on site acquisition, site evaluation, preplanning for construction, architectural work, and associated studies and evaluations for the construction of the courthouse. It is time for Congress to provide the funding necessary to construct a permanent courthouse in a location of honor and dignity befitting the Court and the veterans it serves.

VETERANS BENEFITS RECOMMENDATIONS

The Veterans Benefits Administration provides an array of benefits to our Nation's veterans, including disability compensation, dependency and indemnity compensation, pensions, vocational rehabilitation, education benefits, home loans, and life insurance. Unfortunately, the failure to regularly adjust benefit rates or to tie them to realistic annual cost-of-living adjustments (COLAs), can threaten the effectiveness of these other benefits. For example, the annual COLAs do not take into account the rising cost of some basic necessities, such as food and energy. In addition to prudent increases in a number of specific benefits programs to meet today's rising costs of living, *The Independent Budget* includes a number of recommendations designed to make several existing benefits more equitable for all veterans, particularly disabled veterans.

Eliminate Remaining Concurrent Receipt Penalties

Today, many veterans retired from the Armed Forces based on longevity of service must forfeit a portion of their retired pay, earned through faithful performance of military service, before they can receive VA compensation for service-connected disabilities. This is inequitable: military retired pay is earned by virtue of a veteran's career of service on behalf of the Nation, careers of usually more than 20 years. Entitlement to compensation, on the other hand, is paid solely because of disability resulting from military service, regardless of the length of service. Many nondisabled military retirees pursue additional careers after serving in order to supplement their income, thereby justly enjoying a full reward for completion of a military career with the added benefit of full income from civilian employment. In contrast, military retirees with service-connected disabilities do not enjoy the same full earning potential.

In order to place all disabled longevity military retirees on equal footing with nondisabled military retirees, there should be no offset between full military retired pay and VA disability compensation. Congress previously removed this offset for veterans with service-connected disabilities rated 50 percent or greater. The IBVSOs believe Congress should enact legislation to repeal the inequitable requirement that veterans' military longevity retired pay be offset by an amount equal to their disability compensation if rated less than 50 percent.

Repeal the DIC-SBP Offset

The current requirement that the amount of an annuity under the Survivor Benefit Plan (SBP) be reduced on account of and by an amount equal to dependency and indemnity compensation (DIC) for survivors of disabled veterans is inequitable and should be repealed.

A veteran disabled in military service is compensated for the effects of service-connected disability. When a veteran dies of service-connected causes, or following a substantial period of total disability from service-connected causes, eligible survivors or dependents receive DIC from the Department of Veterans Affairs. This benefit indemnifies survivors, in part, for the losses associated with the veteran's death from service-connected causes or after a period of time when the veteran was unable, because of total disability, to accumulate an estate for inheritance by survivors.

Survivors of military retirees have no entitlement to any portion of the veteran's military retirement pay after his or her death, unlike many retirement plans in the private sector, however they may participate in the SBP, which is a survivor's annuity purchased through deductions from their spouse's military retirement pay. Upon

the military retiree's death, the annuity is paid monthly to eligible beneficiaries under the plan. If the veteran died of other than service-connected causes or was not totally disabled by service-connected disability for the required time preceding death, beneficiaries receive full SBP payments. However, if the veteran's death was a result of military service or after the requisite period of total service-connected disability, the SBP annuity is reduced by an amount equal to the DIC payment. When the monthly DIC rate is equal to or greater than the monthly SBP annuity, beneficiaries lose all entitlement to the SBP annuity.

This offset is inequitable because there is no duplication of benefits since payments under the SBP and DIC programs are made for different purposes. Under the SBP, coverage is purchased by a veteran and paid to his or her surviving beneficiary at the time of the veteran's death. On the other hand, DIC is a special indemnity compensation paid to the survivor of a servicemember who dies while serving in the military, or a veteran who dies from service-connected disabilities. In such cases DIC should be added to the SBP, not substituted for it. Surviving spouses of Federal civilian retirees who are veterans are eligible for DIC without losing any of their purchased Federal civilian survivor benefits. The offset penalizes survivors of military retirees whose deaths are under circumstances warranting indemnification from the government separate from the annuity funded by premiums paid by the veteran from his or her retired pay. Congress should fully repeal the offset between dependency and indemnity compensation and the Survivor Benefit Plan.

Adaptive Housing and Automobile Grants

Service-connected disabled veterans who have impairments or loss of use of at least one of their hands, feet or eyes may be eligible for several grants to adapt their housing or automobiles, including the Specially Adapted Housing Grant and the Automobile and Special Adaptive Equipment Grants. However when veterans who have already received these grants are forced to move to a new home, or stay temporarily in someone else's home, or need to replace an outdated automobile, they are restricted in accessing the full benefits of this program. To remedy this, Congress should establish a supplementary housing grant that covers the cost of new home adaptations for eligible veterans who have used their initial, once in-a-lifetime grant on specially adapted homes they no longer own and occupy. A separate grant should be provided for special adaptations to homes owned by family members in which veterans temporarily reside. VA should also be authorized to provide a supplementary auto grant to eligible veterans in an amount equaling the difference between their previously used one-time entitlement and the increased amount of the grant.

Compensation for Quality of Life and Noneconomic Loss:

Madam Chairman, our Nation's 3.2 million service-disabled veterans rely greatly on VA's disability compensation program as an essential source of financial support for themselves and their families. However, a number of recent studies and commissions have all agreed that VA's disability compensation program does not do enough and should be revised to compensate for the loss of quality of life and other noneconomic losses that result from permanent disabilities suffered while serving in the Armed Forces.

In 2007, the Institute of Medicine (IOM) published a report entitled, "A 21st Century System for Evaluating Veterans for Disability Benefits," recommending that the current VA disability compensation system be expanded to include compensation for noneconomic loss and loss of quality of life. The IOM report stated that, "* * * Congress and VA have implicitly recognized consequences in addition to work disability of impairments suffered by veterans in the Rating Schedule and other ways. Modern concepts of disability include work disability, nonwork disability, and quality of life (QOL) * * *."

The congressionally-mandated Veterans Disability Benefits Commission (VDBC), established by the National Defense Authorization Act of 2004 (Public Law 108–136), in 2007 also recommended that the "* * * veterans disability compensation program should compensate for three consequences of service-connected injuries and diseases: work disability, loss of ability to engage in usual life activities other than work, and loss of quality of life." That same year, the President's Commission on Care for America's Returning Wounded Warriors, chaired by former Senator Bob Dole and former Health and Human Services Secretary Donna Shalala, also agreed that the current benefits system should be reformed to include noneconomic loss and quality of life as a factor in compensation.

The Independent Budget concurs with all of these recommendations and calls on Congress to finally address this deficiency by amending title 38, United States Code, to clarify that disability compensation, in addition to providing compensation to

service-connected disabled veterans for their average loss of earnings capacity, must also include compensation for their noneconomic loss and for loss of their quality of life. The Canadian Veterans' Affairs disability compensation program and the Australian Department of Veterans' Affairs disability compensation program already do just that. It is now time for our Congress and VA to determine the most practical and equitable manner in which to provide compensation for noneconomic loss and loss of quality of life and then move expeditiously to implement this updated disability compensation program.

CLAIMS PROCESSING REFORM RECOMMENDATIONS

Over the past decade, the number of veterans filing claims for disability compensation has more than doubled, rising from nearly 600,000 in 2000 to over 1.4 million in 2011. This workload increase is the result of a number of factors over the past decade, including the wars in Iraq and Afghanistan, an increase in the complexity of claims and a downturn in the economy causing more veterans to seek VA assistance. Furthermore, new presumptive conditions related to Agent Orange exposure (ischemic heart disease, B-cell leukemia and Parkinson's disease) and previously denied claims, resulting from the *Nehmer* decision added almost 200,000 new claims this year; leading to a workload surge that will level off in 2012. During this same decade, VBA's workforce grew by about 80%, rising from 13,500 FTEE in 2007 to over 20,000 today, with the vast majority of that increase occurring during the past four years.

Yet despite the hiring of thousands of new employees, the number of pending claims for benefits, often referred to as the backlog, continues to grow. As of February 4, 2012, there were 891,402 pending claims for disability compensation and pensions awaiting rating decisions by the VBA, an increase of more than 114,000 from one year ago, and almost double the 487,501 that were pending two years prior. The number of claims pending over 125 days, VBA's official target for completing claims, reached 591,243, which is a 66 percent increase in one year and more than double the 185,040 from two years ago.

More important than the number of claims processed is the number of claims processed correctly. The VBA quality assurance program is known as the Systematic Technical Accuracy Review (STAR) and is now available publicly on VA's ASPIRE Dashboard. The most recent STAR measure for rating claims accuracy for the one-year period ending September 2011 is 84 percent, about the same level as one year prior, and slightly lower than several years earlier. However, the VA Office of Inspector General (VAOIG) reported in May 2011 that based on inspections of 45,000 claims at 16 of the VA's 57 regional offices (VAROs), claims for disability compensation were correctly processed only 77 percent of the time. This error rate would equate to almost 250,000 incorrect claims decisions in just the past year.

Cultural Change Needed to Fix Claims-Processing System:

Under the weight of an outdated information technology system, increasing workload and growing backlog, the VBA faces a daunting challenge of comprehensively transforming the way it processes claims for benefits in the future, while simultaneously reducing the backlog of claims pending within its existing infrastructure. There have been many positive and hopeful signs that the VBA is on the right path; however, the critical choices made by VBA over the next year will determine whether this effort will ultimately succeed. It is essential that Congress provide careful and continuing oversight of this transformation to help ensure that the VBA achieves true reform and not just arithmetic milestones, such as lowered backlogs or decreased cycle times.

One of the more positive signs has been the open and candid attitude of VBA leadership over the past several years, particularly progress toward developing a new partnership between VBA and veterans service organizations (VSOs) who assist veterans in filing claims. The IBVSOs have been increasingly consulted on a number of the new initiatives underway at VBA, including disability benefit questionnaires (DBQs), Veterans Benefit Management System (VBMS), and many, but not all business process pilots, including the I-LAB at the Indianapolis Regional Office. Building upon these efforts, VBA must continue to the reach out to its VSO partners, not just at central office, but also at each of the 57 regional offices.

In order to drive and sustain its transformation strategies throughout such a massive organization, VBA must change how it measures and rewards performance in a manner designed to achieve the goal of getting claims decided right the first time. Unfortunately, most of the measures that VBA employs today are based primarily on production goals, rather than quality. This bias for speed over accuracy has long been VBA's cultural norm, and it is not surprising that management and employees

today still feel a tremendous pressure to meet production goals first and foremost. While accuracy has been and remains one of the performance standards that must be met by all employees, new performance standards adopted over the past two years appear to have done little to create sufficient incentives to elevate quality above production.

Over the next couple of crucial years, it will be particularly important for VBA and Congress to remain focused on the principal goal of enhancing quality and accuracy, rather than focusing on reducing the backlog. VBA should change the way it measures and reports progress so that there are more and better indicators of quality and accuracy, at least equal in weight to measures of speed and production. In addition, VBA should develop a systematic way to measure average work output for each category of its employees in order to establish more accurate performance standards, which will also allow the VBA to better project future workforce requirements.

Implementing a New Operating Model for Processing Claims:

As the Veterans Benefits Administration begins to implement a new operating model for processing claims for disability compensation, it must give priority to best practices that have been validated to increase quality and accuracy, not just speed and production. VBA has conducted more than 40 different pilot programs and initiatives looking at new ways of establishing, developing, rating, and awarding claims for benefits. Dozens of other ideas flowed from individual employees and regional offices, leadership retreats, and an internal innovation competition, leading to new initiatives such as quick pay, walk-in claims, and rules-based calculators.

In order to test how best to integrate these and other pilots and initiatives conducted over the past two years, VA established the I-LAB at the Indianapolis Regional Office to develop a new end-to-end operating model for claims processing. The I-LAB settled on the segmentation of claims as the cornerstone principle for designing the new operating model. The traditional triage function was replaced at the I-LAB with an Intake Processing Center, staffed with an experienced claims processor, whose responsibility was to divide claims along three separate tracks; Express, Core, and Special Ops. The Express lane is for simpler claims, such as fully developed claims, claims with one or two contentions, or other simple claims. The Special Ops lane is for more difficult claims, such as those with eight or more contentions, longstanding pending claims, complex conditions, such as Traumatic Brain Injury and special monthly compensation, and other claims requiring extensive time and expertise. The Core lane is for the balance of claims with between three and seven contentions, claims for individual unemployability (IU), original mental health conditions, and others.

VBA has seen some early indications that productivity could increase through the use of the new segmentation strategy at the I-LAB; however, it may still be too soon to judge whether such results would be reproduced if applied nationally. While the VBA certainly needs to reform its claims-processing system, it must first ensure that proper metrics are in place in order to make sound decisions about the elements of its new operating model.

By the end of 2011, the VBA stood up an Implementation Team to develop a strategy and plan for implementing the new operating model for processing claims. With the Secretary's ambitious goal of processing all claims in less than 125 days with an accuracy rate of 98 percent by 2015, VBA's strategy calls for 2012 to be a year of transition; full implementation of the new operating model is planned for 2013; in 2014, the VBA anticipates stabilization and assessment of the new system; and 2015 is planned as the year of "centers of excellence," an apparent reference to a future state that will centralize some VBA activities or functions.

Critical to the success of this implementation strategy will be the choices made by VBA this year. It will also be absolutely essential for Congress to provide strong oversight to ensure that the enormous pressures on VBA to show progress toward eliminating or reducing the claims backlog does not result in short term gains at the expense of long-term reform.

Stronger Training, Testing and Quality Control

Madam Chairman, training, testing, and quality control must be given the highest priority within the Veterans Benefits Administration if the current claims processing reform efforts are to be successful. Training is essential to the professional development of individuals and tied directly to the quality of work they produce, as well as the quantity they can accurately produce. However, the IBVSOs remain concerned that under the rising pressure of increasing workload and backlogs, VBA managers and employees often choose to cut corners on training in order to focus on production at all costs. It is imperative that efforts to increase productivity not

interfere with required training of employees, particularly new employees who are still learning their job.

Furthermore, after employees have been trained it is important that they are regularly tested to ensure that they have the knowledge and competencies to perform their jobs. A GAO report published in September 2011 found that there did not exist a nationwide training curriculum for VBA's Decision Review Officers (DROs), despite the fact that 93 percent of regional managers interviewed supported such a national training program, as did virtually every DRO interviewed. We would note that following a recent DRO examination in which a high percentage failed to achieve acceptable results, the VBA required all DROs to undergo a one-week training program to enhance their knowledge and job skills. This is exactly the type of action that should regularly occur within an integrated training, testing, and quality control program.

In 2008, Congress enacted Public Law 110–389, the Veterans' Benefits Improvement Act of 2008, which required VBA to develop and implement a certification examination for all claims processors and managers. While tests have been developed and conducted for VSRs, RVSRs, and DROs, the tests for supervisory personnel and coaches have yet to be completed. VBA cannot accurately assess its training or measure an individual's knowledge, understanding, or retention of the training material without regular testing. The IBVSOs believe it is essential that all VBA employees, coaches, and managers undergo regular testing to measure job skills and knowledge, as well as the effectiveness of the training. At the same time, VBA must ensure that certification tests are developed that accurately measure the skills and knowledge needed to perform the work of VSRs, RVSRs, DROs, coaches, and other managers.

One of the most promising developments over the past year is VBA's new initiative to stand up Quality Review Teams (QRTs) in every regional office. Developed from a review of the best practices used at certain high-performing regional offices, the QRT program will assign full-time, dedicated employees whose sole function is to seek out and correct errors in claims processing. QRTs will also work to develop in-process quality control measures to prevent errors before decisions are made. The IBVSOs strongly support this program and recommend that VBA make service in a QRT unit a career path requirement for those seeking to rise to senior positions in Regional Offices or at VBA's headquarters in Washington, D.C.

Madam Chairman, the IBVSOs believe the only way for VBA to make and sustain long-term reductions in the backlog is by producing better quality decisions in the first instance. The only way to institutionalize such a cultural shift within the VBA is by developing and giving priority to training, testing and quality control programs.

New Information Technology Systems

After two years of development, VBA's Veterans Benefits Management System (VBMS) is planned to be rolled out nationally beginning in June of this year. The VBMS is designed to provide a comprehensive, paperless, and rules-based method of processing and awarding claims for VA benefits, particularly disability compensation and pension. The IBVSOs have been especially pleased with VBA efforts to incorporate the experience and perspective of our organizations throughout the VBMS development process. Understanding the important role that VSO service officers play in the claims process, VBA proactively sought frequent and substantive consultation with VSOs, both at the national VBMS office and at the pilot locations. The IBVSOs are confident that this promising partnership will strengthen VBMS for VBA, VSOs, and most importantly, veterans seeking VA benefits.

As VBA turns the corner on VBMS development leading to deployment, it is imperative that Congress provide full funding to complete this essential IT initiative. In today's difficult fiscal environment, there are concerns that efforts to balance the Federal budget and reduce the national debt could result in reductions to VA programs, including IT programs. Over the next year, Congress must ensure that the funding required and designated for the VBMS is protected from cuts or reprogramming, and spent as Congress intended.

Another key IT component is eBenefits, VA's online portal that allows veterans to apply for, monitor, and manage their benefits over the Internet. With more than 2 million users registered, eBenefits provides a web-based method for veterans to file claims for disability and other benefits that will ultimately integrate that information directly into the VBMS to adjudicate those claims. As with VBMS, it is crucial that Congress and the VBA provide eBenefits full funding in order to support the ongoing transformation of the claims processing system.

In closing Madam Chairman, the IBVSOs remain concerned about VBA's plans for transitioning legacy paper claims into the new VBMS work environment. While

VBA is committed to moving forward with a paperless system for new claims, it has not yet determined how to handle reopened paper claims; specifically whether, when or how they would be converted to digital files. Because a majority of claims processed each year are for reopened or appealed claims and because files can remain active for decades, until all legacy claims are converted to digital data files, VBA could be forced to continue paper processing for decades. Requiring VBA employees to learn and master two different claims processing systems—one that is paper-based and the other digital—would add unnecessary complexity and could negatively affect quality, accuracy, and consistency.

While there are very difficult technical questions to be answered about the most efficient manner of transitioning to all-digital processing, particular involving legacy paper files, the IBVSOs believe the VBA should do all it can to shorten the length of time this transition takes to complete, and should provide a clear roadmap for eliminating legacy paper files, one that includes clear timelines and resource requirements. While this transition may require significant upfront investment, it will pay dividends for the VBA and veterans in the future.

Madam Chairman, this concludes my statement and I would be happy to answer any questions from you or other Members of the Committee.

Senator BURR. Thank you, Mr. Hall.

Ms. Zumatto.

STATEMENT OF DIANE ZUMATTO, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Ms. ZUMATTO. Yes. Good afternoon, Senator Burr.

On behalf of AMVETS and the co-authors of the *IB*, I thank you for this opportunity to share our recommendations with you today. My main focus will be the NCA or the National Cemetery Administration.

The single most important obligation of the NCA is to honor the memory, achievements, and sacrifices of our veterans who so nobly served in this Nation's Armed Forces. These acts of self sacrifice by our veterans obligate America to not only preserve but to rehabilitate and expand our national cemetery system as necessary to meet the needs of American veterans.

These venerable and commemorative spaces are part of America's historic material culture. They are museums of art and American history. They are fields of honor and hallowed grounds, and they deserve and require our most respectful stewardship.

The sacred tradition of our national cemeteries began in 1862 when the earliest military graveyards were situated at battle sites, at field or general hospitals, and at former prisoner of war sites; and since that time, more than three million burials have taken place within the NCA system.

The NCA currently maintains stewardship of 131 of our Nation's 147 national cemeteries as well as 33 Soldiers Lots, which are currently located in 39 States and Puerto Rico.

As of late 2010, there were more than 20,021 acres of historic landscape, funerary monuments and other architectural features included within established NCA sites.

VA estimates that of the roughly 22.4 million veterans alive today that approximately 14.4 percent of them will choose a National or State veterans cemetery as their final resting place. With the transition of an additional one million servicemembers and the veteran status over the next 12 months, this number is expected to continue rising until approximately 2017.

In fiscal year 2011, the NCA, which is the Nation's largest cemetery system, invested an estimated $31.49 million into the National

Shrine Initiative in its efforts to improve the appearance of our national cemeteries.

In order to adequately meet the demands for interment, gravesite maintenance, and related essential elements of cemetery operations, the IBVSOs recommend $280 million for the NCA's operations and maintenance budget in fiscal year 2013 with an annual increase of $20 million until the national shrine commitment operational standards and measures goals regarding height and alignment of headstones and markers as well as the appearance of gravesites are reached.

Finally, the IBVSOs call on the Administration and Congress to provide the resources needed to meet the sensitive and critical nature of the NCA's mission and to fulfill the Nation's commitment to all veterans who have served their country honorably and faithfully.

That concludes my statement and I will be happy to take any questions.

[The prepared statement of Ms. Zumatto follows:]

PREPARED STATEMENT OF DIANE M. ZUMATTO,
NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Chairman Murray, Ranking Member Burr, and Members of the Committee, As a co-author of *The Independent Budget* (*IB*), AMVETS is grateful for this opportunity to present the views of The 1B regarding the funding requirements for the Department of Veterans Affairs' (VA) National Cemetery Administration (NCA) for Fiscal Year 2013.

The venerable and honorable history of our national cemeteries spans roughly 150 years when the earliest military graveyards were, not surprisingly, situated at battle sites, near field or general hospitals and at former prisoner-of-war sites. With the passage of the National Cemeteries Act of 1973 (P.L. 93–43), the Department of Veterans' Affairs (VA) became responsible for the majority of our national cemeteries. The single most important obligation of the National Cemetery Administration (NCA) is to honor the memory of America's brave men and women who have selflessly served in this Nation's Armed Forces. Many of the individual cemeteries, monuments, grave stones, grounds and related memorial tributes within the NCA system are richly steeped in history and represent the very foundation of these United States.

With the signing of the Veterans Programs Enhancement Act of 1998 (P.L. 105–368) which officially re-designated the National Cemetery System (NCS) to the now familiar National Cemetery Administration (NCA). The NCA currently maintains stewardship of 131 of the Nation's 147 national cemeteries, as well as 33 soldiers' lots. Since 1862 when President Abraham Lincoln signed the first legislation establishing the national cemetery concept, more than 3 million burials have taken place in national cemeteries currently located in 39 states and Puerto Rico. As of late 2010, there were more than 20,021 acres of landscape, funerary monuments, grave markers and other architectural features, much of it historically significant, included within established installations in the NCA.

VA estimates that approximately 22.4 million veterans are alive today and with the transition of an additional 1 million servicemembers into veteran status over the next 12 months, this number is expected to continue to rise until approximately 2017. On average, 14.4 percent of veterans choose a national or state veterans' cemetery as their final resting place. As new national and state cemeteries continue to open and as our aging veterans' population continues to grow, we continue to be a nation at war on multiple fronts. The demand for burial at a veterans' cemetery will continue to increase.

The Independent Budget veterans service organizations (IBVSOs) would like to acknowledge the dedication and commitment demonstrated by the NCA leadership and staff in their continued dedication to providing the highest quality of service to veterans and their families. It is in the opinion of the IBVSOs that the NCA continues to meet its goals and the goals set forth by others because of its true dedication and care for honoring the memories of the men and women who have so selflessly served our Nation. We applaud the NCA for recognizing that it must continue to be responsive to the preferences and expectations of the veterans' community by

adapting or adopting new interment options and ensuring access to burial options in the national, state and tribal government-operated cemeteries. We also believe it is important to recognize the NCA's efforts in employing both disabled and homeless veterans.

NCA ACCOUNTS

In Fiscal Year 2011, the National Cemetery Administration operated on an estimated budget of $298.3 million associated with the operations and maintenance of its grounds. The NCA had no carryover for Fiscal Year 2011. The NCA was also able to award 44 of its 48 minor construction projects and had four unobligated projects that will be moved to Fiscal Year 2012. Unfortunately, due to continuing resolutions and the current budget situation, the NCA was not able to award the remaining four projects.

The IBVSOs support the operational standards and measures outlined in the National Shrine Commitment (P.L. 106–117, Sec. 613) which was enacted in 1999 to ensure that our national cemeteries are the finest in the world. While the NCA has worked diligently improving the appearance of our national cemeteries, they are still a long way from where they should be.

The NCA has worked tirelessly to improve the appearance of our national cemeteries, investing an estimated $39 million into the National Shrine Initiative in Fiscal Year 2011. According to NCA surveys, as of October 2011 the NCA has continued to make progress in reaching its performance measures. Since 2006, the NCA has improved headstone and marker height and alignment in national cemeteries from 67 percent to 70 percent and has improved cleanliness of tombstones, markers and niches from 77 percent to 91 percent. Although the NCA is nearing its strategic goal of 90 percent and 95 percent, respectively, for height and alignment and cleanliness, more funding is needed to continue this delicate and labor-intensive work. Therefore, the IBVSOs recommend the NCA's Operations and Maintenance budget to be increased by $20 million per year until the operational standards and measures goals are reached.

The IBVSOs recommend an Operational and Maintenance budget of $280 million for the National Cemetery Administration for Fiscal Year 2013 so it can meet the demands for interment, gravesite maintenance and related essential elements of cemetery operations. This request includes $20 million for the National Shrine Initiative.

The IBVSOs call on the Administration and Congress to provide the resources needed to meet the critical nature of the NCA's mission and to fulfill the Nation's commitment to all veterans who have served their country so honorably and faithfully.

STATE CEMETERY GRANT PROGRAMS

The State Cemetery Grants Program (SCGP) complements the National Cemetery Administration's mission to establish gravesites for veterans in areas where it cannot fully respond to the burial needs of veterans. Several incentives are in place to assist states in this effort. For example, the NCA can provide up to 100 percent of the development cost for an approved cemetery project, including establishing a new cemetery and expanding or improving an established state or tribal organization veterans' cemetery. New equipment, such as mowers and backhoes, can be provided for new cemeteries. In addition, the Department of Veterans' Affairs may also provide operating grants to help cemeteries achieve national shrine standards.

In Fiscal Year 2011, the SCGP operated on an estimated budget of $46 million, funding 16 state cemeteries. These 16 state cemeteries included the establishment or ground breaking of five new state cemeteries, three of which are located on tribal lands, expansions and improvements at seven state cemeteries, and four projects aimed at assisting state cemeteries to meet the NCA national shrine standards. Since 1978, the Department of Veterans' Affairs has more than doubled the available acreage and accommodated more than a 100 percent increase in burials through this program.

With the enactment of the "Veterans Benefits Improvement Act of 1998," the NCA has been able to strengthen its partnership with states and increase burial services to veterans, especially those living in less densely populated areas without access to a nearby national cemetery. Through Fiscal Year 2010, the state grant program has established 75 state veteran's cemeteries in 40 states and U.S. territories. Furthermore, in Fiscal Year 2011 VA awarded its first state cemetery grant to a tribal organization.

The Independent Budget veteran's service organizations recommend that Congress fund the State Cemetery Grants Program at $51 million for Fiscal Year 2013. The

IBVSOs believe that this small increase in funding will help the National Cemetery Administration meet the needs of the State Cemetery Grant Program, as its expected demand will continue to rise through 2017. Furthermore, this funding level will allow the NCA to continue to expand in an effort of reaching its goal of serving 94 percent of the Nation's veteran population by 2015.

VETERAN'S BURIAL BENEFITS

Since the original parcel of land was set aside for the sacred committal of Civil War Veterans by President Abraham Lincoln in 1862, more than 3 million burials have occurred in national cemeteries under the National Cemetery Administration.

In 1973, the Department of Veterans' Affairs established a burial allowance that provided partial reimbursement for eligible funeral and burial costs. The current payment is $2,000 for burial expenses for service-connected deaths, $300 for non-service-connected deaths and a $700 plot allowance. At its inception, the payout covered 72 percent of the funeral costs for a service-connected death, 22 percent for a non-service-connected death and 54 percent of the cost of a burial plot.

Burial allowance was first introduced in 1917 to prevent veterans from being buried in potter's fields. In 1923 the allowance was modified. The benefit was determined by a means test until it was removed in 1936. In its early history the burial allowance was paid to all veterans, regardless of their service connectivity of death. In 1973, the allowance was modified to reflect the status of service connection.

The plot allowance was introduced in 1973 as an attempt to provide a plot benefit for veterans who did not have reasonable access to a national cemetery. Although neither the plot allowance nor the burial allowance was intended to cover the full cost of a civilian burial in a private cemetery, the recent increase in the benefit's value indicates the intent to provide a meaningful benefit. *The Independent Budget* veterans' service organizations are pleased that the 111th Congress acted quickly and passed an increase in the plot allowance for certain veterans from $300 to $700 effective October 1, 2011. However, we believe that there is still a serious deficit between the original value of the benefit and its current value.

In order to bring the benefit back up to its original intended value, the payment for service-connected burial allowance should be increased to $6,160, the non-service-connected burial allowance should be increased to $1,918 and the plot allowance should be increased to $1,150. The IBVSOs believe Congress should divide the burial benefits into two categories: veterans within the accessibility model and veterans outside the accessibility model.

Congress should increase the plot allowance from $700 to $1,150 for all eligible veterans and expand the eligibility for the plot allowance for all veterans who would be eligible for burial in a national cemetery, not just those who served during wartime. Congress should also increase the service-connected burial benefits from $2,000 to $6,160 for veterans outside the radius threshold and to $2,793 for veterans inside the radius threshold.

Congress should increase the non-service-connected burial benefits from $300 to $1,918 for all veterans outside the radius threshold and to $854 for all veterans inside the radius threshold. The Administration and Congress should provide the resources required to meet the critical nature of the National Cemetery Administration's mission and to fulfill the Nation's commitment to all veterans who have served their country so honorably and faithfully.

EDUCATION, EMPLOYMENT AND TRAINING

During this time of persistent unemployment in our country, the veterans' community as a whole has been hit disproportionately hard, but for Iraq and Afghanistan veterans and Reserve Component members, the job prospects are particularly bleak. Estimates as recent as October 2011 suggest that the unemployment rate among veterans returning from Iraq and Afghanistan are at least 3 percent greater than the national average. In consideration of the tremendous sacrifices our veterans have made for this Nation, Congress and the Administration must make a concerted effort to guarantee that all veterans have access to education, employment and training opportunities to ensure success in an unfavorable civilian job market.

Assisting those who have honorably served to secure the proper skills, certifications and degrees so that they can achieve personal success is and should always be central to our support of veterans. In addition, disabled veterans often encounter barriers to entry or reentry into the workforce. The lack of appropriate accommodations on the job can make obtaining quality training, education and job skills especially problematic. These difficulties, in turn, contribute to low labor force participation rates and leave many disadvantaged veterans with little choice but to rely on government assistance programs. At present funding levels, entitlement and benefit

programs cannot keep pace with the current and future demand for such benefits. The vast majority of working-age veterans want to be productive in the workplace, and we must provide greater opportunities to help them achieve their career goals. Thankfully, this Congress passed the VOW to Hire Heroes Act in recognition of these veterans' employment challenges, an important step in improving veterans' job prospects.

EDUCATION

In 2008, Congress enacted the Post-9/11 GI 13111 and ensured that today's veterans have greater opportunities for success after their years of voluntary service to our Nation. *The Independent Budget* veterans' service organizations (IBVSOs) were pleased with the quick passage of this landmark benefit and worked with Congress to quickly correct unforeseen inequities via the "Post-9/11 Veterans Education Assistance Improvement Act of 2010." When it was signed into law, leaders in Congress and in the veterans' advocacy community touted the prospect that the Post-9/11 GI Bill could create a new "Greatest Generation," offering critical job skills and training to a new generation of leaders.

The IBVSOs are concerned that the Post-9/11 GI Bill may be vulnerable to budgetary attacks as the conflicts in Iraq and Afghanistan draw to a close. The benefits of the Post-9/11 GI Bill must continue to remain available to honor the sacrifice of our Nation's veterans. To support this request, the Department of Veterans Affairs must develop the metrics to accurately measure the short- and long-term impacts of these educational benefits. The IBVSOs believe that the Post-9/11 GI Bill is an investment not only in the future of our veterans but also our Nation.

TRAINING AND REHABILITATION SERVICES: VOCATIONAL REHABILITATION AND EMPLOYMENT

Vocational rehabilitation for disabled veterans has been part of this Nation's commitment to veterans since Congress first established a system of veterans' benefits upon entry of the United States into World War I in 1917. Today the Vocational Rehabilitation and Employment (VR&E) Service, through its VetSuccess Program, is charged with preparing service-disabled veterans for suitable employment or providing independent living services to those veterans with disabilities severe enough to render them unemployable. Approximately 48,000 active duty, Guard and Reserve personnel are discharged annually, with more than 25,000 of those on active duty found "not fit for duty" as a result of medical conditions that may qualify for VA disability ratings. With a disability rating the veteran would potentially be eligible for Vocational Rehabilitation and Employment services. According to the most recent report from the Government Accountability Office (GAO) on VR&E services, the ability of veterans to access VR&E services has remained problematic.

The task before Vocational Rehabilitation and Employment's (VR&E) VetSuccess program is critical, and the need becomes clearer in the face of the statistics from the current conflicts. Since September 11, 2001, there have been more than 2.2 million servicemembers deployed. Of that group, more than 941,000 have been deployed two or more times. As a result, many of these servicemembers are eligible for disability benefits and VR&E services if they are found to have an employment handicap. Specifically, 43 percent may actually file claims for disability. Due to the increasing number of servicemembers returning from Iraq and Afghanistan with serious disabilities, VR&E must be provided the resources to further strengthen its program. There is no VA mission more important than that of enabling injured military personnel to lead productive lives after serving their country. In the face of these facts, of concern to *The Independent Budget* veterans service organizations (IBVSOs) are the current constraints placed on VR&E as a result of an average client to counselor ratio of 145:1 compared to the VA standard of 125:1. VR&E, working through outside contractors, continues to refine and refocus this important program so it can maximize its ability to deliver services within certain budgetary constraints. Given the anticipated caseload that future downsizing of the military will produce, a more concise way to determine staffing requirements and a more rigorous manpower formula must be developed.

With this in mind, the IBVSOs recommend that VA needs to strengthen its Vocational Rehabilitation and Employment (VR&E) program to meet the demands of disabled veterans, particularly those returning from the conflicts in Afghanistan and Iraq. It must provide a more timely and effective transition into the workforce and provide placement follow-up with employers for a minimum of six months. Congress must provide the resources for VR&E to establish a maximum client to counselor standard of 125:1 and a new ratio of 100:1 to be the standard. VR&E must place a higher emphasis on academic training, employment services and independent liv-

ing to achieve the goal of rehabilitation of severely disabled veterans. Congress should provide the resources to support the expansion of VR&E's quality assurance staff to increase the frequency of site visits. Congress and the Administration must ensure that VR&E is provided the necessary resources to upgrade its legacy Corporate WINRS and the new VetSuccess information technology platform as part of the Veterans Benefits Administration's upgrade of its larger IT systems.

Congress must also conduct oversight to ensure that Vocational Rehabilitation and Employment (VR&E) program services are being delivered efficiently and effectively. VR&E must develop and implement metrics that can identify problems and lead to solutions that effectively remove barriers to veteran completion of VR&E programs.

TRANSITION ASSISTANCE PROGRAMS

The Transition Assistance Program (TAP) was developed to assist military families leaving active service. The Department of Labor (DOL) began providing TAP employment workshops in 1991, pursuant to section 502 of the "National Defense Authorization Act for Fiscal Year 1991" (P.L. 101–510). It is an interagency program delivered in partnership by DOL and the Departments of Veterans Affairs, Defense (DOD) and Homeland Security (DHS). Returning to civilian life is a complex and exciting time for servicemembers. TAP and the Disabled Transition Program (DTAP) will, generally, now be mandatory thanks to the "VOW to Hire Heroes Act" (P.L. 112–56) and will result in the program becoming an even greater benefit in meeting the needs of separating servicemembers as they transition into civilian life.

As part of the new TAP, eligible members will be allowed to participate in an apprenticeship or pre-apprenticeship program that provides them with education, training and services necessary to transition to meaningful employment. These new TAP classes will also upgrade career counseling options and résumé writing skills, as well as ensuring the program is tailored for the 21st century job market. TAP is also available for eligible demobilizing servicemembers in the National Guard and reserves. The news is that efforts to improve both TAP and DTAP are under way.

The IBVSOs recommend that all Transition Assistance Program (TAP) classes should include in-depth VA benefits and health-care education sessions and time for question and answer sessions. The Departments of Veterans Affairs, Defense, Labor and Homeland Security should design and implement a stronger Disabled Transition Assistance Program (DTAP) for wounded servicemembers who have received serious injuries, and for their families. Chartered veterans service organizations should be directly involved in TAP and DTAP or, at minimum, serve as an outside resource to TAP and DTAP. The DOD, VA, DOL, and DHS must do a better job educating the families of servicemembers on the availability of TAP classes, along with other VA and DOL programs regarding employment, financial stability and health-care resources. Congress and the Administration must provide adequate funding to support TAP and DTAP to ensure that active duty, as well as National Guard and reserve servicemembers, receive proper services during their transition periods.

Senator BURR. Thank you, Ms. Zumatto.

Ray, how are you?

STATEMENT OF RAYMOND KELLEY, NATIONAL LEGISLATIVE DIRECTOR, VETERANS OF FOREIGN WARS

Mr. KELLEY. Good. Ranking Member Burr, on behalf of the more than two million members of the Veterans of Foreign Wars and our until auxiliaries, thank you for the opportunity to testify today.

In partnership with the *IB*, it is VFW's responsibility to take care of construction accounts so I will limit my remarks to that. Every effort must be made to ensure that facilities are safe and sufficient environments to deliver care.

Since 2004, utilization in VA has grown from 80 percent to 121 percent and facility conditions have dropped from 81 percent to 71 percent. This is having an impact upon the delivery of health care.

To determine and monitor the condition of facilities, VA conducted a Facility Condition Assessments or an FCA. These assess-

ments include inspections of building systems such as electrical, mechanical, structural and architectural safety.

The FCA review team can grant a rating of an "A" to an "F". An "A" through "C" is either a new condition, a new facility or an average condition of a facility. An "F" means the condition of the facility requires immediate attention.

To correct the efficiencies of the "D's and "F's, VA will need to invest nearly $10 billion. VA is requesting $400 million for four of the 21 partially funded VHA major construction projects in fiscal year 2013, leaving well over $5 billion remaining in partially funded projects dating back to fiscal year 2007.

These projects include improving seismic deficiencies, improving spinal cord injury centers, completing a polytrauma blind rehab and research facility as well as expanding mental health facilities.

This request is too low to support the ever-growing need of veterans. Therefore, the *IB* partners request that Congress provide funding of $2.8 billion to cover all major construction accounts. This will allow VA to complete all current partially funded major constructions seismic corrections, and mental health centers, and the fund before VA-identified projects for fiscal year 2013.

Although VA's funding request for minor construction account is lower than the *IB*'s request, this level of funding will allow VA to fund more than 120 projects.

Even though non-recurring maintenance or NRM is funded through VA's medical facilities account and not through the construction account, it is critical to VA's capital infrastructure.

VA is requesting $774 million in NRM for fiscal year 2013; but to keep pace with need and to reduce the backlog of NRM, $2.1 billion is needed. The *IB* is not requesting this amount of funding for NRM, only pointing out that the actual need to reach, that is the amount needed to reached the VA's strategic goals.

Enhanced use lease gives VA the authority to lease land and buildings as long as the lease is consistent with VA's mission. Although an enhanced used lease can be used for a wide range of activities, the majority of these leases result in housing for homeless veterans and assisted living facilities.

In fiscal year 2013, VA has 19 buildings or parcels of land that are planned for enhanced used lease. However, this authority has expired and we encourage Congress to reauthorized enhanced use lease so VA can continue to put empty and underutilized space to work for veterans.

Ranking Member, this concludes my testimony, and I look forward to any questions you or the Committee has.

[The prepared statement of Mr. Kelley follows:]

PREPARED STATEMENT OF RAYMOND KELLEY, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Madam Chairman and Members of the Committee: On behalf of the more than 2 million men and women of the Veterans of Foreign Wars of the U.S. (VFW) and our Auxiliaries, I would like to thank you for the opportunity to testify today. The VFW works alongside the other members of *The Independent Budget* (*IB*)—AMVETS, Disabled American Veterans and Paralyzed Veterans of America—to produce a set of policy and budget recommendations that reflect what we believe would meet the needs of America's veterans. The VFW is responsible for the construction portion of the *IB*, so I will limit my remarks to that portion of the budget.

With an infrastructure that is more than 60 years old, the Department of Veterans Affairs (VA) has a monumental task of maintaining and improving its vast network of facilities to ensure the Veterans Health Administration (VHA) can provide accessible, high-quality health care to our Nation's veterans. Currently, VA owns 5,300 buildings and manages more than 800 leases. In 2005, VA began using the Federal Real Property Council (FRPC) Tier 1 performance measures to assess its capital portfolio goals.[1] The two measures that directly affect patient services are utilization and condition. In 2004, VA's utilization was at 80 percent, well below capacity. That utilization grew to 121 percent in 2010, and is projected to grow even more in the coming years. During the same time period, the condition of VA's infrastructure decreased from 81 percent to 71 percent.[2] These trends show that funding for the next few years will be critical for VA to fulfill its mission.

VA has developed the Strategic Capital Investment Plan (SCIP) to address the critical deficiencies in its infrastructure. SCIP uses six criteria to assess deficiencies, or gaps, in its ability to deliver efficient, high- quality, accessible services and care for veterans. The six gap criteria are access, utilization, space, condition, energy, and other (which includes safety, security, privacy, and seismic corrections).[3] It was also determined that to close all these gaps it would cost between $53 billion and $65 billion.[4]

To determine and monitor the condition of its facilities, VA conducted a Facility Condition Assessment (FCA). These assessments include inspections of building systems, such as electrical, mechanical, plumbing, elevators, and structural and architectural safety; and site conditions consisting of roads, parking, sidewalks, water mains, water protection. The FCA review team can grant ratings of A, B, C, D, and F. Assessment ratings A through C conclude the assessed is in new to average condition. D ratings mean the condition is below average and F means the condition is critical and requires immediate attention. To correct these deficiencies, VA will need to invest nearly $10 billion.[5] To close the gaps in access, VA will need to invest between $30 billion and $35 billion dollars in major and minor construction and leasing. The remaining $20 billion is needed to close the remaining nonrecurring maintenance deficiencies.

MAJOR CONSTRUCTION ACCOUNTS:

By estimation of the Department of Veterans Affairs, the cost to implement all currently identified gaps in major construction, Congress will have to authorize and appropriate between $20 billion and $24.5 billion over the next 10 years. Currently, there are 35 major construction projects that are authorized, dating back as far as 2004. Only three of these projects are funded through completion. The total unobligated amount for all currently congressionally budgeted major construction projects is $2.8 billion.[6] Yet the total funding requested for FY 2012 major construction accounts was only $725 million.

At this level of funding, it will take VA more than 25 years to complete its current 10-year capital investment plan. *The Independent Budget* veterans service organizations (IBVSOs) understand that fiscally difficult times call for spending restraints, but without quality, accessible medical centers, VA will not be able to deliver quality, accessible care. The IBVSOs recommend $2.8 billion to complete all partially funded and future major construction needs to close all identified gaps by 2021.

MINOR CONSTRUCTION ACCOUNTS:

To close the minor construction gaps within its 10-year timeline, VA will need to invest nearly $8 billion in Veterans Health Administration minor construction alone.[7] Minor construction projects allow VA to address issues of functional space within existing buildings and improve facility conditions at a cost of less than $10 million. In past years VA and Congress requested and appropriated nearly 10 percent of the total need to close the minor construction gaps. However, the Administration and Congress decreased funding for minor construction by about $250 million over the past two years. If this rate of investment is continued, it will take

[1] FY 2012 Budget Submission, Construction and 10-Year Capital Plan, February 2011, Vol. 4 of 4, p. 9.3–11, 12
[2] Ibid, p. 9.3–13, 14
[3] Ibid, p. 8.2–4.
[4] Ibid, p. 81–1.
[5] Ibid, p. 9.3–14 15.
[6] FY 2012 Budget Submission, Construction and 10-Year Capital Plan, February 2011, Vol. 4 of 4, p. 2–85.
[7] FY 2012 Budget Submission, Construction and 10-Year Capital Plan, February 2011, Vol. 4 of 4, p. 1–4.

more than 16 years to complete all current minor construction gaps. Congress and VA must put minor construction back on track by investing 10 percent of the total cost to complete the 10-year minor construction plan. With this in mind, the IBVSOs recommend $969 million in FY 2013 to achieve this goal.

NONRECURRING MAINTENANCE ACCOUNT:

Even though nonrecurring maintenance (NRM) is funded through VA's Medical Facilities account and not through the construction account, it is critical to VA's capital infrastructure. NRM embodies the many small projects that together provide for the long-term sustainability and usability of VA facilities. NRM projects are one-time repairs, such as modernizing mechanical or electrical systems, replacing windows and equipment, and preserving roofs and floors, among other routine maintenance needs. Nonrecurring maintenance is a necessary component of the care and stewardship of a facility. When managed responsibly, these relatively small, periodic investments ensure that the more substantial investments of major and minor construction provide real value to taxpayers and to veterans as well. Accordingly, to fully maintain its facilities, VA needs an NRM annual budget of at least $2.1 billion.

Given the low level of funding NRM accounts have historically received, the IBVSOs are not surprised that basic facility maintenance remains a challenge for VA. In addition, the IBVSOs have long-standing concerns about how this funding is apportioned once received by VA. Because NRM accounts are organized under the Medical Facilities appropriation, it has traditionally been apportioned using the Veterans Equitable Resource Allocation (VERA) formula. This formula was intended to allocate health- care dollars to those areas with the greatest demand for health care, and is not an ideal method to allocate NRM funds. When dealing with maintenance needs, this formula may prove counterproductive by moving funds away from older medical centers and reallocating the funds to newer facilities where patient demand is greater, even if the maintenance needs are not as intense. The IBVSOs are encouraged by actions the House and Senate Veterans' Affairs Committees have taken in recent years requiring NRM funding to be allocated outside the VERA formula, and we hope this practice will continue.

CAPITAL LEASING:

The Department of Veterans Affairs enters into two types of leases. First, VA leases properties to use for each agency within VA, ranging from community-based outpatient clinics (CBOC) and medical centers, to research and warehouse space. These leases do not fall under the larger construction accounts, but under each administration's and staff office operating accounts.[8]

The second type of lease, called enhanced-use lease (EUL), allows VA to lease property they own to an outside-VA entity. These leases allow VA to lease properties that are unutilized or underutilized for projects such as veterans' homelessness and long-term care. Proper use of leases provides VA with flexibility in providing care as veterans' needs and demographics changes.

VA has moved to leasing many of its CBOCs and specialty clinics to increase access of primary and specialty care in local communities as well as a way to be more modular as veterans' demographics change. The IBVSOs see the value in providing quick, accessible health care, but caution a leasing concept that will rely on contracting inpatient care. Not having accessible inpatient care can and has left VA looking for ways to treat veterans in their greatest time of need. As Strategic Capital Investment Planning continues to move forward and more leases are entered into, some of which may have inpatient alternatives, the IBVSOs will be continue to be vigilant to ensure that VA has viable contingency plans for inpatient care.

EUL gives VA the authority to lease land or buildings to public, nonprofit, or private organizations or companies as long as the lease is consistent with VA's mission and that the lease "provides appropriate space for an activity contributing to the mission of the Department."[9] Although EUL can be used for a wide range of activities, the majority of the leases result in housing for homeless veterans and assisted living facilities. In 2013, VA has 19 buildings or parcels of land that are planned for EUL.[10] The IBVSOs encourage VA to continue to improve their transparency of

[8] FY 2012 Budget Submission, Construction and 10-Year Capital Plan, February 2011, Vol. 4 of 4, p. 8.2–88.

[9] Title 38, U.S.C., paragraph 8162, as amended through Public Law 112–7, enacted March 31, 2011, printed May 2, 2011.

[10] FY 2012 Budget Submission, Construction and 10-Year Capital Plan, February 2011, Appendix 10-Year Capital Plan, p. 10-46–49.

potential EUL properties. Improving dialog with veterans in the communities will reduce the backlash that often occurs when VA property is being repurposed.

EMPTY OR UNDERUTILIZED SPACE AT MEDICAL CENTERS:

The Department of Veterans Affairs maintains approximately 1,100 buildings that are either vacant or underutilized. An underutilized building is defined as one where less than 25 percent of space is used. It costs VA from $1 to $3 per square foot per year to maintain a vacant building.

Public Law 108–422 incentivized VA's efforts to properly dispose of excess space by allowing VA to retain the proceeds from the sale, transfer, or exchange of certain properties in a Capital Asset Fund. Further, that law required VA to develop short and long term plans for the disposal of these facilities in an annual report to Congress. With this in mind, VA has begun a review of buildings and properties for finding possible reuse or repurpose opportunities. Building Utilization Review and Repurposing or BURR will focus on identifying sites in three major categories: housing for veterans who are homeless or at risk for being homeless; senior veterans capable of independent living; and veterans who require assisted- living and supportive services. The three phases planned include identifying campuses with buildings and land that are either vacant or underutilized; site visits to match the supply of building and land with the demand for services and availability of financing; and last, identifying campuses using VA's enhanced- use leasing authority. Under the BURR initiative, if no repurposing is identified, VA will begin to assess its vacant capital inventory by demolishing or disposing of buildings that are unsuitable for reuse or beyond their usefulness. The IBVSOs have stated that VA must continue to develop these plans, working in concert with architectural master plans, community stakeholders and clearly identifying the long-range vision for all such sites.

PROGRAM FOR ARCHITECTURAL MASTER PLANS:

A facility master plan is a comprehensive tool to examine and project potential new patient care programs and how they might affect the existing health-care facility design. It also provides insight with respect to growth needs, current space deficiencies, and other facility needs for existing programs and how they might be accommodated in the future with redesign, expansion, or contraction.

In many past cases VA has planned construction in a reactive manner. Projects are first funded and then placed in the facility in the most expedient manner, often not considering other future projects and facility needs. This often results in shortsighted construction that restricts rather than expands options for the future.

The IBVSOs believe that each VA medical center should develop a comprehensive facility master plan to serve as a blueprint for development, construction, and future growth of the facility; $15 million should be budgeted for this purpose. We believe that each VA medical center should develop a comprehensive facility master plan to serve as a blueprint for development, construction, and future growth of the facility.

VA has undertaken master planning for several VA facilities, and we applaud this effort. But VA must ensure that all VA facilities develop master plan strategies to validate strategic planning decisions, prepare accurate budgets, and implement efficient construction that minimizes wasted expenses and disruption to patient care.

PRESERVATION OF VA'S HISTORIC STRUCTURES:

The Department of Veterans Affairs has an extensive inventory of historic structures that highlight America's long tradition of providing care to veterans. These buildings and facilities enhance our understanding of the lives of those who have worn the uniform, of those who cared for their wounds, and of those who helped to build this great Nation. Of the approximately 2,000 historic structures in the VA historic building inventory, many are neglected and deteriorate year after year because of a lack of any funding for their upkeep. These structures should be stabilized, protected, and preserved because they are an integral part our Nation's history.

The cost for saving some of these buildings is not very high considering that they represent a part of American history. Once gone, they cannot be recaptured. For example, the Greek Revival Mansion at the VA Medical Center in Perry Point, Maryland, built in the 1750s can be restored and used as a facility or network training space for about $1.2 million. The Milwaukee Ward Memorial Theater, built in 1881, could be restored as a multipurpose facility at a cost of $6 million. These expenditures would be much less than the cost of new facilities and would preserve history simultaneously.

The IBVSOs encourage VA to use the tenants of Public Law 108–422, the "Veterans Health Programs Improvement Act," in improving the plight of VA's historic properties. This act authorizes historic preservation as one of the uses of the proceeds of the capital assets fund resulting from the sale or leases of other unneeded VA properties.

Madam Chairman, this concludes my testimony and I look forward to any questions you and the Committee may have.

Senator BURR. Thank you, Mr. Kelley.

Mr. Tarantino, is that correct?

OTHER WITNESS

STATEMENT OF TOM TARANTINO, DEPUTY POLICY DIRECTOR, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Mr. TARANTINO. Yes, Senator, it is.

Senator Burr and Members of the Committee, thank you for allowing me to testify and represent IAVA's 200,000 members and supporters on the President's fiscal year 2013 budget request.

My name is Tom Tarantino, and I am the Deputy Policy Director for IAVA. I proudly served 10 years in the Army being my career as an enlisted reservist and ending service as active-duty Calvary officer. Although my uniform is now a suit and tie, I am proud to work with this Congress to have the backs of America's servicemembers and veterans.

While IAVA is pleased with the Administration's recognition that the VA needs increased resources to adequately care for veterans of Iraq and Afghanistan, we believe that VA health care must be fully funded to the level recommended in the 2013 *Independent Budget*.

Even though the proposed VA budget does show a 4.5 percent increase over 2012, it is still more than $4 billion less than what the *Independent Budget* recommends.

I am also deeply concerned that Congress has not passed a regular budget in what actually is years. Fortunately, Congress has maintained VA funding both current and in advanced in the various continuing resolutions and ad hoc appropriations bills. However, we are concerned that if this irregular budgeting process continues and the security that advance funding is meant to provide to VA health care may erode. When political concerns and dangers brinksmanship threaten VA, it is the veterans and servicemembers who can least afford to bear the burden that get the impact.

We are at a critical juncture for both servicemembers and veterans. As the Department of Defense budget shrinks, it threatens the earned benefits like retirement and TRICARE. As the active duty and reserve component is planning to shed over 90,000 active-duty servicemembers over the next few years, the workload on the VA system is only going to increase. So, failing to fully funded the VA or appropriate the budget in advanced will inflict pain and hardship on thousands of veterans.

Among the most useful programs administered by the VA are its educational programs. More than 700,000 veterans and their family members have used the Post-9/11 GI Bill to further their education, increase their job skills and secure employability.

One of the single greatest threats to the success of the future of GI Bill is the lack of useful metrics and subsequent inability of the

VA and State approving agencies to prevent fraud, particularly in the realm of for-profit schools.

IAVA recognizes that the majority of for-profit schools are honest actors and that they provide an invaluable resource for many military members and veterans who do not need or wish to pursue a traditional education.

However, as pointed out in the *Independent Budget*, many for-profit schools are simply just not holding up their end. For example, for-profit schools receive more than a third of GI Bill funds while accounting for less than a third of GI Bill graduates. It does not appear that we are giving veterans the tools that they need to make sound educational choices.

IAVA recommends a three-prong approach that is necessary to solve this problem. First, we must collect useful data on both student and institutional success. Without mandatory, uniform data collection across-the-board, private, public, profit, not-for-profit, we will never be able give students the tools to make the educational choices that meet their needs.

We also need a clear, comprehensible, and easily accessible consumer education for veterans. Having data on schools is useless unless we can present it to students in a manner they can digest. This should include both online methods of comparing schools as well as a commitment to increase educational counseling for veterans.

And finally, we have to ensure that the free and open market can weed out poorly performing schools by changing the 90/10 role to include and classify DOD and VA benefits as government funds because they are.

All of this must be executed with one goal in mind and that is to preserve the GI Bill. Preserving the integrity of the GI Bill should be a top priority for every lawmaker on Capitol Hill.

The benefit not only provides upward economic mobility for individuals who participate but it benefits your entire community as a Nation and the Nation as a whole in the long run.

The original World War II GI Bill returned $7 in taxes and economic output for every dollar that was spent on the program. Like then, the Post-9/11 GI Bill is currently threatened by schools that their whole existence is separating veterans from their hard earned benefits.

America's newest veterans also face a tough economy and serious employment challenges. In 2011, the average unemployment rate for Iraq and Afghanistan veterans was 12.1 percent.

Congress took bold action last year in passing the VOW to Hire Heroes Act and we thank this body for their work. This year IAVA stands ready to help implement this law so that veterans can get back to work but we also hope that Congress will continue to focus on the veterans who do not choose to go in the workforce but choose to go directly to school so that they can get the job training that they need.

I thank you for your time and attention.

[The prepared statement of Mr. Tarantino follows:]

PREPARED STATEMENT OF TOM TARANTINO, DEPUTY POLICY DIRECTOR, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Chairwoman Murray, Ranking Member Burr and Members of the Committee, On behalf of Iraq and Afghanistan Veterans of America's 200,000 member veterans and supporters, thank you for inviting me to testify on the President's FY 2013 budget request for the Department of Veterans Affairs.

My name is Tom Tarantino and I am the Deputy Policy Director for IAVA. I proudly served 10 years in the Army, beginning my career as an enlisted Reservist, and leaving service as an Active Duty Cavalry Officer. Throughout these 10 years, my single most important duty was to take care of other soldiers. In the military, they teach us to have each other's backs, both on and off the field of battle. And although my uniform is now a suit and tie, I am proud to work with this Congress to continue to have the backs of America's servicemembers and veterans.

IAVA is the largest veterans group dedicated to speaking for the nearly 2.4 million veterans of Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn. At IAVA, we tell veterans "We've got your back," a military saying meaning: "We'll support you no matter what." We hope that Congress shares this sentiment and passes a VA budget that will not only tell but also show veterans that "Congress has your back."

While IAVA is pleased with the administration's recognition that the VA needs increased resources to adequately care for veterans of Iraq and Afghanistan, we believe that VA health care must be fully funded to the level recommended in the 2013 *Independent Budget* (*IB*)—$57.2 billion Even though the proposed VA budget shows a 4.5% increase over 2012($52.7 billion), that is still more than $4 billion less than what the *Independent Budget* recommends.

IAVA is also deeply concerned that Congress has not passed a regular budget on time in years. Fortunately, Congress has maintained VA funding (both current and advance) in various continuing resolutions (CR) and ad-hoc appropriations bills. However, WE ARE concerned that if the CR process continues, then the security that advance funding is meant to provide for VA health care may erode. Advance funding was intended to provide security for the VA health care system when Congress was late passing a budget. That security is increasingly irrelevant if years pass without a budget at all. The budget crisis during the summer of 2011 highlighted the need to ensure that the VA is funded in advance and that the process is immune to political infighting. I was encouraged that last year both the House and Senate came up with solid VA appropriations bills when other bills never made it off the drawing board. Nonetheless, it proved disappointing that despite the bipartisan cooperation demonstrated to put those bills together, they never made it to the President's desk for signature. Our nation has made a covenant with its servicemembers and veterans, many of who have sacrificed pieces of themselves in service to our country. When political concerns and dangerous brinkmanship threaten the VA, the impact falls on those servicemembers and veterans who can least afford to bear the burden. IAVA stands with the VSO community in urging Congress and the Administration, in the strongest possible terms, to ensure that the VA continues to be fully funded and funded in advance.

We are at a critical juncture for both servicemembers and veterans. As the Department of Defense budget shrinks, threatening earned benefits like retirement and TRICARE, and the active duty and reserve components plan to shed over 90,000 servicemembers, the burden on the VA system will only increase. Failing to fully fund the VA or appropriate the budget in advance will inflict pain and hardship on thousands of veterans.

EDUCATION

Among the most useful programs administered by the VA are its educational programs. More than 700,000 veterans and their family members have used the Post-9/11 GI Bill to further their education, increase job skills, and secure their employability. But one of the single greatest threats to the success and future of the GI Bill is the lack of useful metrics and the subsequent inability of the VA and State Approving Agencies (SAA) to prevent fraud, particularly in the realm of for-profit schools. IAVA recognizes that the majority of for-profit schools are honest actors and that they provide an invaluable resource for many military members and veterans who do not wish pursue a traditional education. However, as pointed out in the *IB*, for-profits received more than a third of GI Bill funds while accounting for less than a third of GI Bill graduates in 2009. Additionally, GI Bill users are pursuing education at for-profits in large numbers. Out of the top ten institutions receiving GI Bill money, eight are for-profits. By and large, IAVA believes this industry is not producing a return proportional to the benefits being spent.

IAVA believes that a three-pronged approach to the problem is necessary to solve this problem:

1. We must collect useful data on both student and institutional success. Without mandatory, uniform data collection across the board, we will never be able to give student veterans the tools to make educational choices that meet their needs.

2. We need clear, comprehensible, and easily accessible consumer education. Having data on schools is useless unless we can present it to students in a manner that they can digest. This should include both online methods of comparing schools as well as a commitment to increase educational counseling for veterans.

3. We must ensure that the marketplace can weed out poorly performing schools by changing the 90–10 rule to include and classify DOD and VA benefits as government funds.

One of the biggest obstacles to veterans and servicemembers educating themselves and making informed decisions about the use of their benefits is the lack of meaningful and consistent data presented in an easily accessible and digestible format. The first step toward addressing this problem is to collect meaningful and consistent data that can be used to compare program outcomes across a variety of education, trade and credentialing programs. Metrics should be similar to those collected by the Department of Education (DOE) for institutions that receive Title IV funding.

Expanding the VetSuccess program, re-engineering the Transition Assistance Program (TAP), and expanding VA educational counseling services are quick but substantial ways to improve consumer education. IAVA commends the VA for expanding the VetSuccess program from 8 to 80 campuses and recommends an even more aggressive expansion. The VA has shown that VetSuccess is working and our conversations with students and university administrators have borne out the VA's assessment. The program is currently funded for $18 million. IAVA recommends dramatically increasing this figure. Even at $50 million we are spending less than 0.007% out of the $7.2 billion we spend annually on the GI Bill to ensure that these benefits are used wisely. This sum will ultimately be far less than the potential billions in taxpayer dollars wasted on educational programs that do not provide the services that they advertise. Along with the improvements made to TAP as part of the VOW to Hire Heroes Act, we must also create a track for veterans who are choosing to go to school rather than directly in to the workforce. These veterans should be able to take advantage of VA vocational counseling/education that is currently available to all veterans using VA education benefits. Right now, a veteran can choose to opt-in to VA educational counseling. Very few actually do. IAVA believes that this should be offered to all veterans, allowing them to opt out if they choose to.

IAVA is also concerned with how the government supports the State Approving Agencies (SAA). We must reform and clarify the responsibilities of the SAAs, in order to ensure that their efforts are targeted and effective. We rely on the SAAs to help ensure quality and compliance in all states and territories; yet, we give them only $19 million per year to do this. This small amount spent to ensure that public funds are well used is penny wise and pound-foolish. At the current level of funding, each state receives an average of $380,000 to perform an extremely broad range of work-intensive tasks across hundreds of campuses statewide. As with the VetSuccess program, spending a fraction of a percent to make sure that billions are well spent is pound-wise.

All of this must be executed with one goal in mind: preserve the GI Bill. Preserving the integrity of the GI Bill should be a top priority for every lawmaker on Capitol Hill. The benefit not only provides upward economic mobility for the individuals who participate, but it benefits their entire communities and the Nation as a whole in the long run. The original Post-World War II GI Bill, the Servicemen's Readjustment Act of 1944, returned $7 dollars in taxes and economic output for every $1 that was spent on the program. Like the Post-9/11 GI Bill, the program was threatened early on by unscrupulous actors and predators whose sole reason for existence was to separate veterans from the benefit they had (literally) fought so hard to receive. Today, nearly a third of all those who are eligible to use the Post-9/11 GI Bill have used it, and many have passed on the benefit to their children or spouses. Further education, combined with the discipline, technical skills, maturity, and knowledge that America's fighting men and women have developed through their service, will deliver greater return for our country. The Post-9/11 GI Bill has the potential to be the engine of future economic growth, or at least one of the key components for securing our economic future.

SUICIDE AND MENTAL HEALTH

Sadly, suicide has become a major issue for servicemembers and veterans. Army suicide rates continue to trend upward; DOD-wide data is not consistent or regularly reported and therefore harder to track. Meanwhile, the VA estimated that in 2009 18 veterans took their own lives each day. The VA also does not consistently share its data on veteran suicide. In addition, it does not generally account for the almost half (about 1.1 million) of Iraq and Afghanistan veterans who have never set foot in a VA hospital. We will never be able to get a handle on this epidemic until we can, at the very least, determine its scope. To do so, IAVA recommends expanding the Center for Disease Control and Prevention's Violent Death Reporting System to all 50 states. Once we can accurately collect data on veteran suicide, we can more efficiently target resources and develop programs to combat the problem. Like the GI Bill, we can make reasonable investments upfront to ensure that the resources we expend later on are more effective, efficient, and saves lives.

A critical step to understanding how we can stop veteran and servicemembers suicides is to understand that suicide itself is not the whole issue. Suicide is the tragic conclusion of the failure to address the spectrum of challenges returning veterans face. These challenges are not just mental health injuries; they include challenges of finding employment, reintegrating to family and community life, dealing with health care and benefits bureaucracy, and many other issues. Fighting suicide is not just about preventing the act of suicide. It's about providing a "soft and productive landing" for our veterans when they return home.

A 2011 RAND survey of veterans in New York State revealed that many veterans face difficulty navigating the complex systems of benefits and services available to them. While this survey was specific to New York veterans, the results are indicative of veterans' experiences nationwide. Veterans reported that they do not know how to find the services they need or apply for the benefits they have earned. Even when they are able to find services appropriate for their needs, many veterans report frustration in accessing these services. Some veterans report long waiting periods to get an appointment at the VA, while others report having to repeat their stories and experiences to a number of different providers. These delays and lack of continuity do not help veterans already suffering from mental health issues. Additionally, the RAND survey revealed that the difficulty in accessing services is not limited to the VA. Most respondents could not identify a state agency or non-profit that provided direct mental health services.

To complicate the bureaucracy, we also know that many veterans are not seeking care because of the stigma attached to mental health injuries. Multiple studies confirm that veterans are concerned about how seeking care could impact their careers, both in and out of the military. These concerns include the effect on their ability to get security clearances and how co-workers and supervisors would perceive them. It is critical that we continue to work to reduce this stigma.

To combat this, IAVA recommends that the VA and DOD partner with experts in the private and nonprofit sector to develop a robust and aggressive outreach campaign to veterans. This campaign should focus on directing veterans to services such as Vet Centers, as well as state and local community-based services. The broader campaign should be integrated into local initiatives like San Francisco's 311 Veterans portal. Most importantly, the campaign should be well funded and reflect the best practices and expertise of experts in both the mental health and advertising fields. For our part, IAVA has partnered with the Ad Council to launch a public service awareness campaign that is focused on the mental health and invisible injuries confronting veterans of Iraq and Afghanistan. A key component of the campaign has focused on reducing the stigma of seeking mental health care. We are happy to share our best practices from this campaign to aid in a national effort.

EMPLOYMENT

America's newest veterans also face a tough economy and serious employment challenges. In 2011, the average unemployment rate for Iraq and Afghanistan veterans was a staggering 12.1 percent, leaving an average of 234,000 combat veterans struggling to find gainful employment after their service in the most severe economic situation in decades.

Finding a job as a returning veteran is hard, but finding quality employment is even harder. Today, Iraq and Afghanistan veterans leaving the active duty military are faced with civilian employers who do not understand the value of their skills and military experience. According to a 2010 survey, 60 percent of employers do not believe they have "a complete understanding of the qualifications ex-servicemembers offer." National Guardsmen and Reservists who leave behind their civilian lives to serve alongside active duty troops are also inadequately protected against job dis-

crimination. Additionally, separated servicemembers with college degrees earn on average almost $10,000 less per year than their non-veteran counterparts. Historical trends show this wage gap could continue for decades; Vietnam veterans earned significantly less than their civilian peers until they reached their fifties.

In 2011, Congress took bold action to stem the tide of rising veteran unemployment. By passing the VOW to Hire Heroes Act, you will ensure that veterans military skills will be translated into their equivalent civilian skills, veterans will have the resources to retrain themselves in to new markets, and that employers will hire more veterans. This bill is a huge step forward and we thank you for spearheading it. IAVA stands ready to assist Congress to effectively and efficiently implement this new law in 2012.

But many of the provisions of the VOW to Hire Heroes Act will rely heavily on the ability of the Department of Labor (DOL) Veterans Employment and Training (VETS) program to transform outdated and inefficient services. I am concerned that the proposed budget for DOL VETS seems to be reduced by $5 million in FY 2013. This is, frankly, unacceptable. What is even more unacceptable is that while the programs that we are updating come out of this Committee's scope and jurisdiction, the funding and accountability for these programs is nowhere near the reach of either veterans affairs or veterans appropriations subcommittees. This is not a recipe for success. Perhaps it is time that we reevaluate where the VETS program should live. IAVA believes that the VA is a more suitable agency for the VETS program, if for no other reason then that is where veteran will go if they need veterans' services. It is time that we match services with the expectations of their customers.

CONCLUSION

Caring for the men and women who defend freedom is a solemn responsibility that belongs to lawmakers, business leaders, and everyday citizens alike. In the past several years we have seen a turning point in the way we care and provide for our Nation's warriors. Despite critical successes, however, veterans' education, mental health, employment, and advance healthcare funding are not up to standard. We must remain ever vigilant and continue to show the men and women who volunteer to serve their country that we have their backs. Thank you for your time and attention.

Senator BURR. Mr. Tarantino, thank you and on behalf of all the Members of the Committee, I would like to thank the entire panel for your willingness to be here.

Let me make every assurance to you, all of your testimonies are in their hands. I would also ask you to make yourself available to all Members and the Committee for questions that will follow up this.

I would like to make a couple of comments and then ask one question at the end.

Mr. Tarantino, I agree with what you just said. The data is absolutely essential to our ability to evaluate what we are doing but more importantly the effectiveness of what we are doing.

I might throw a cautionary note out. Not all individuals who leave active duty are after a degree but most are after a career; and when you start looking at placement, you may find out that the assessment that we make about one institution versus another institution is actually reversed and that those that maybe do not do a good job of providing a degree do a great job of providing the tools for a career; and I think that is where we have to stay focused.

Many of you heard me with our colleagues at the VA as I have questioned the need for our focused stay on delivering a product to a veteran, and I will work with the Secretary and his leadership team, if they need plus ups in central office or if they need plus ups in public relations or wherever it is; but the only way that I will sit still is if I know that the core mission of the VA which is

to deliver that benefit to individual servicemembers is being fulfilled.

So, Ms. Zumatto, you talked about the national cemeteries. Secretary Muro was the here. You noticed he did not get any questions. I will speculate. It is because he is doing a damn good job. It is because he understands what the mission is, and we have got work to do. I think he would be the first to admit it, but he is not losing focus of exactly what that threshold of accountability is going to be for him, and I appreciate you pointing that out.

I think all of you have questions on sequestration. I have them. One, I do not think this should have ever been something we entered into. I think that Congress is here to do our job. It is not to leave it up to a super committee or group of individuals that then decide that we would rather punt the ball than throw it.

I think that it is time for us to do our job. It starts with doing a budget. We are required by law to do one annually. Without a budget, it is hard to do appropriations bills. It is a very simple process.

Carl, you pointed out dollars that have been designated as not needed, $3 billion and $2 billion respectively. I have the same concern in advance, so far in advance we can identify that; and I think if you go back all of you to when we started working on advanced appropriations, this is one of the concerns that skeptics had that you have a plus up only to find out it was not needed so it could be shifted somewhere else or to grow something.

So, I think the Chairman is committed, as am I, to get to the bottom, work with the VA and try to understand how this happened and quite possibly talk about different ways to reprogram money.

I know from the standpoint of the Intelligence Committee when an agency that is under our jurisdiction wants to reprogram money, they have got to get approval from us to reprogram that money. I think that is probably a wise thing and we will look at any potential changes that need to be made.

Some of you mentioned, and I am sure all of you are concerned about the construction and maintenance. I will just make a personal observation. Facilities are crucial to the access and the quality of care that our veterans received in the future. We are in the 21st century and medicine has changed.

I will not comment on other States but in North Carolina, and Dr. Petzel knows this, I have got two facilities that were opened in the 1950s. They are not constructed in a way to put an MRI machine much less some of the new technologies that is going in. Even to run a computer that is networked means drilling through walls that were never intended to have holes much like the Capitol of the United States where we have to make the drill bits to actually drill through those.

But more importantly, they are not conducive to outpatient care. You have to navigate the health care facility to find the room that they happen to be doing endoscopies in that day; and by every standard in health care today, we exposed somebody to an institution that has a much higher likelihood of providing a means of infection.

I think it is important, and the VA is headed on a new course of creating that super outpatient facility that can handle the 95

percent of the veterans needs. It will take us a while to do it but we will never get there if we do not build that into our long-term and short-term maintenance requests, construction requests.

I think that I could question whether the total that is in the budget this year even comes close to handling just the maintenance needs that we have in existing facilities and I think, Ray, you probably agree with me on that.

Those are just some of my thoughts, having heard your testimony and then trying to put it in perspective with what we heard from the VA and what the Administration's budget proposal is.

I would just pose one more question to each of you. If you want to respond you can. What trends do you see that you have not highlighted in your testimony that you think should be alarming to our Nation's veterans and to policymakers in Washington?

And I will just start down here and go down the line.

Mr. SCHRIER. Ranking Member Burr, the signature wounds in Vietnam were about PTSD and Agent Orange. The signature wounds in our wars today are about PTSD and TBI. The stigma has never been taken off PTSD.

A young warrior still in uniform is frightened to step forward when he is suffering or she is suffering symptoms. We need to remove that.

And TBI, a good analogy, former players from the NFL are currently suing the NFL because they are suffering from concussions that goes back 30 and 40 years and these symptoms are now manifesting themselves.

What will our warriors suffering from TBI today be facing in 20, 30, 40 years, and what are we going to do about it today to ensure there is something there tomorrow to take care of them?

Thank you.

Senator BURR. A fascinating thing in high school football today, many schools around the country are getting a baseline that they can establish for players so that, as you have individuals who have concussions, you can compare after to the baseline to figure out whether there was a brain change.

Novel approach but we are beginning to recognize the importance of that. Maybe we will from the standpoint of our military personnel as well.

Carl.

Mr. BLAKE. I will frame my answer sort of as a broad-based idea about demand for health care services. While the VA sort of shows its trends in its budget every year, it seems like when they returned the next year the demand trends spiked higher than what they had originally projected which sort of points to my concerns about how you end up with excess resources when you have a demand curve that is much steeper.

As far as something to think about in the near short-term, long-term with regards to demand, we have to keep in mind we are basically drawing down in Iraq now and at some point in the near future we are probably going to draw down in Afghanistan.

While there is the commonly held belief that at some point demand will reach a plateau and maybe tail off because of the aging population of veterans, we do not believe we have gotten to that point yet and we believe that you can see an even higher spike in

demand for services as you have these individuals who are now out of Iraq and who may be leaving the service and who will eventually be returning from Afghanistan and presumably leaving the service as well.

So, we have to make sure that we are in a situation where we are able to meet their unique health care commands while continuing to meet the demand of the population of veterans that the VA serves today.

Senator BURR. When I made the comment earlier to the Secretary which will be in the form of a question that the VA took in 430,000 more claims than were decided, it is not to give the VA a black eye. It is to say let us make sure that our expectations on what we can accomplish are rational.

It is hard for me to believe that you can have 430,000 more claims this year and within a 3-year period we can illuminate the backlog. Under my calculation, you are going to have to process 150,000 more claims than you take in every year to eliminate the backlog. If you just look at what is in front of us in additional claims to come in, I am not sure you could make a rational statement like that.

So, I hope through our dialog we are able to get not just on the disability side but throughout the VA a rational discussion about what expectations should be because I think we have got to have a yardstick. There has got to be a matrix and there has got to be accountability.

Mr. Hall.

Mr. HALL. I would just like to follow up with that exact point regarding the disability claims process. As you are well aware, VA has a lot of parts in motion and with a complete transformation process that we are looking at over the course of a year, I would like to commend VA on one aspect and that is it is very, very difficult and challenging to not only transform an antiquated system into a modern paperless system, at the same time reducing the backlog.

And so, while they are working toward reducing the backlog, that is why we want to ensure that the focus remains on quality and accuracy. As far as a specific trend, veterans, as you know, communicate electronically. The VA is trying to get there with their IT system and as my comments had mentioned earlier about the VBMS system, we hope it gets there as well but we just do not know what the outcome is going to be.

We know that there are positive results coming out of it from test stations and we will have to wait and see what happens when it goes out nationally. But I guess the best would be that we are cautiously optimistic about that but veterans demand that modernized system. The VA is trying to get there and hopefully we can all help them get there together.

Senator BURR. Great. I agree with you. The VA deserves credit for trying something different. None of us know whether it will work. I would only say this that in the time that we have designed this and begun to implement it the trend that you cannot ignore is that in 2008 our productivity per FTE in the claims process was 87 claims per year. Today 2011 73.5 claims per year.

It is alarming to me. I am hopeful that the IT thing will be the solution. But we have taken our eye off of what we are producing out of the current work force and roughly getting 14 less claims per employee that processes claims; and when you look at that trend, that is very troubling from a standpoint of if this does not work, we start at a new lower baseline of productivity and it means that the ability to do away with the backlog is that much longer.

Ms. Zumatto.

Ms. ZUMATTO. Thank you, Senator Burr. I just want to say that I appreciate your comments and that I agree with all of the additional comments made by my *IB* partners. As far as NCA having any alarming issues, I do not think I have the expertise right now to speak to that but I will be meeting with the folks at the NCA and if I come up with something I will let you know.

Senator BURR. Share it with us. Right.

Ms. ZUMATTO. Thank you.

Senator BURR. Mr. Kelley.

Mr. KELLEY. I think my testimony pointed out my concerns with construction, but I want to touch on another issue that we have ignored in the past that has led to lack of research in other areas.

I will use Agent Orange as an example. It took us 40 years to finally get to the point where we are really taking care of the folks that were affected by Agent Orange. We cannot let that happen to folks who have been exposed to burn pits. We lack the science to identify it, to diagnose it, and to treat it. We need research dollars and we need research dollars specifically for burn pit exposure.

Senator BURR. I hear you loud and clear; and as a guy that is trying to get the same thing done for Camp Lejeune Marines for three decades, I hear your warning and the frustration.

Tom.

Mr. TARANTINO. Senator, we are alarmed about the lack of clarity with the high suicide rate among veterans. We do a pretty good job of tracking the active duty but we really do not have any clear idea of the suicide epidemic in the veterans' population.

The VA does a good job or a decent job of tracking veterans within their system; but in terms of OIF OEF vets, that is just over half in which means around half of Iraq and Afghanistan veterans never set foot in a VA hospital; and we have no idea what is happening out in that population.

So, when we are looking at the budget and increases to mental health and sort of this shotgun approach to suicide prevention and mental health where we are trying to develop programs with awareness but we are not doing it in a targeted fashion, it is one thing to increase awareness about stigma and having a suicide-prevention campaigns; but if you do not know where are the problem areas, what are the methodologies, and, you know, what type of issues are those servicemembers facing, then you are basically crawling around in the dark.

And so, we are proposing that we need to have a national effort to track veterans suicide in all 50 States. There are a couple of ways to do it. I am happy to talk about it with you off-line. But until we do that, we are never going to get our hand around this issue, and we are never going to solve this problem.

Senator BURR. I think I can speak for the Chairman in saying that the Committee is committed to do a much better job at understanding the problem and, more importantly, the trend. We find it alarming.

And to speak for VA, I think they take this very seriously. In our last hearing relative to progress we were making, one individual—and I put this caveat in, their responsibility was the hot line—said, well, the progress is evident by the fact that we are getting more calls to the hotline.

Now, when you look at things from an overall architecture, you get more calls to the hotline you have got a much greater problem out there than what you might have thought.

So, I think we have got to connect these things within the Administration to understand how to interpret something like an increase in calls, but I think we are all committed not just in the veterans population but in the active-duty force to make sure that wherever these pressure points are that we find a way to relieve them long before we reach a suicidal end.

Let me note that we did have great participation from Members today. I want to thank you on behalf of the Chairman and myself for your willingness to be here, for the insight that you give us, and for the time that you put into not only your testimony but your proposals.

This hearing is adjourned.

[Whereupon, at 12:32 p.m., the Committee was adjourned.]

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