

## DEPARTMENT OF VETERANS AFFAIRS

The 2000 budget provides \$19,995 million in discretionary funding for veterans health, benefits, and other services, including \$19,246 million in gross discretionary budget authority and \$749 million in anticipated medical collections.

The account by account information provided in the following budget schedules is supplemented by a department-wide strategic plan, published in September 1997, a performance plan submitted annually with the Budget, and an annual accountability report. The performance plan contains annual goals for each of the Department of Veterans Affairs' (VA) programs along with historic performance data, where available. The accountability report includes audited financial statements along with actual program performance as measured against goals.

VA published an initial strategic plan in September, 1997. The Department will publish a new strategic plan in 2000.

The 2000 performance plan highlights 24 key measures determined by the VA's top executives as overall measures of departmental performance. In addition, the performance plan identifies the total budgetary resources, including FTE, associated with each of VA's major programs.

### VETERANS HEALTH ADMINISTRATION

#### Federal Funds

#### General and special funds:

##### MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed \$8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5), \$17,306,000,000, plus reimbursements: *Provided*, That of the funds made available under this heading, [\$778,000,000] \$635,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, [1999] 2000, and shall remain available until September 30, [2000] 2001: *Provided further*, That of the funds made available under this heading, not to exceed [\$27,420,000] may be transferred to and merged with the appropriation for "General operating expenses": *Provided further*, That of the funds made available under this heading, up to \$10,000,000 shall be for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation.] \$833,550,000 shall be available until September 30, 2001.

In addition, in conformance with Public Law 105-33 establishing the Department of Veterans Affairs Medical Care Collections Fund,

such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

#### Unavailable Collections (in millions of dollars)

Identification code 36-0160-0-1-703	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99 Balance, start of year .....	1	54	67
Receipts:			
02.01 Medical care collections .....	700	638	762
04.00 Total: Balances and collections .....	701	692	829
Appropriation:			
05.01 Medical care .....	-647	-625	-749
07.99 Total balance, end of year .....	54	67	80

#### Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care .....	4,657	4,458	4,024
00.02 Rehabilitative care .....	362	353	337
00.03 Psychiatric care .....	1,223	1,011	873
00.04 Nursing home care .....	1,698	1,859	2,018
00.05 Subacute care .....	384	311	267
00.06 Residential care .....	304	349	379
00.07 Outpatient care .....	6,759	7,906	8,567
00.08 Miscellaneous benefits and services .....	834	843	859
00.09 CHAMPVA .....	113	119	129
00.91 Total operating expenses .....	16,334	17,209	17,453
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care .....	356	260	168
01.02 Rehabilitative care .....	28	20	14
01.03 Psychiatric care .....	16	59	37
01.04 Nursing home care .....	75	108	84
01.05 Subacute care .....	23	18	11
01.06 Residential care .....	20	20	16
01.07 Outpatient care .....	464	460	359
01.08 Miscellaneous benefits and services .....	33	49	36
01.91 Total capital investment .....	1,015	994	725
01.92 Total direct program .....	17,349	18,203	18,178
09.01 Reimbursable program .....	92	147	186
10.00 Total new obligations .....	17,441	18,350	18,364
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	664	1,039	742
22.00 New budget authority (gross) .....	17,816	18,051	18,241
22.10 Resources available from recoveries of prior year obligations .....		3	3
23.90 Total budgetary resources available for obligation .....	18,480	19,093	18,986
23.95 Total new obligations .....	-17,441	-18,350	-18,364
23.98 Unobligated balance expiring .....	-1		
24.40 Unobligated balance available, end of year .....	1,039	742	622
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	17,077	17,306	17,306
Appropriation (special fund, indefinite):			
40.25 Appropriation (special fund, indefinite) .....	507	625	749
40.25 Appropriation (special fund, indefinite) .....	140		
41.00 Transferred to other accounts .....		-27	
43.00 Appropriation (total) .....	17,724	17,904	18,055

**General and special funds—Continued**

**MEDICAL CARE—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	1998 actual	1999 est.	2000 est.
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	92	147	186
70.00 Total new budget authority (gross) .....	17,816	18,051	18,241
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	2,764	2,734	3,176
73.10 Total new obligations .....	17,441	18,350	18,364
73.20 Total outlays (gross) .....	-17,363	-17,906	-17,895
73.40 Adjustments in expired accounts .....	-108		
73.45 Adjustments in unexpired accounts .....		-3	-3
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	2,734	3,176	3,642
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	14,872	15,153	15,029
86.93 Outlays from current balances .....	2,399	2,607	2,680
86.97 Outlays from new permanent authority .....	92	147	186
87.00 Total outlays (gross) .....	17,363	17,906	17,895
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-52	-82	-104
88.40 Non-Federal sources .....	-40	-65	-82
88.90 Total, offsetting collections (cash) .....	-92	-147	-186
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17,724	17,904	18,055
90.00 Outlays .....	17,271	17,759	17,709

For 2000, the budget provides a total VA Medical Care program level of \$18,055 million, an increase of \$124 million over the 1999 level. This includes \$17,306 million in appropriated budget authority and \$749 million in anticipated medical collections. VA's authority to retain all collections from third party insurance companies, other copayments, and related medical fees is relatively uncommon in the federal government and critical to VA's success in providing care to veterans. As a result of this flexibility, VA will treat an estimated 1.7 percent more patients in 2000 than in 1999.

The 2000 budget includes a legislative proposal to authorize VA to cover the cost of out-of-network emergency care for enrolled veterans with disabilities related to military service. Under law, these veterans have top priority for VA medical services. This legislation would ensure that these veterans have access to emergency care when treatment in VA facilities is not an option.

The 2000 budget also includes a legislative proposal to permanently extend current legal provisions due to expire in 2003. These provisions provide for: the collection of third-party health insurance payments for care provided by the VA for service-connected veterans with nonservice connected conditions, copayments, and income verification provisions.

**WORKLOAD**

*Provision of Veterans Health Care—*

*Acute hospital care.*—Costs for 2000 are estimated to decrease by \$523 million for operating medical, neurological, surgical, contract and State home hospital beds, reflecting the shift to increased use of ambulatory care.

Estimated operating levels are:

	1998 actual	1999 est.	2000 est.
Patients treated .....	441,735	388,947	338,874
Average daily census .....	9,030	7,817	6,546
Average employment .....	55,446	48,449	40,271

*Rehabilitative care.*—A decrease of \$21 million in 2000 is estimated for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	1998 actual	1999 est.	2000 est.
Patients treated .....	17,303	15,827	14,719
Average daily census .....	1,346	1,225	1,127
Average employment .....	4,944	4,525	4,155

*Psychiatric care.*—A decrease of \$159 million is estimated in 2000 for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

	1998 actual	1999 est.	2000 est.
Patients treated .....	126,693	107,175	93,392
Average daily census .....	6,324	4,933	3,993
Average employment .....	18,213	15,407	13,075

*Nursing home care.*—In 2000, an increase of \$140 million is estimated for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	1998 actual	1999 est.	2000 est.
Patients treated .....	96,568	106,723	111,953
Average daily census .....	33,670	34,427	35,132
Average employment .....	20,365	22,060	22,536

*Subacute care.*—A decrease of \$51 million is estimated in 2000 for the treatment of veterans who require a level of care between acute and long-term care, as provided in VA hospital intermediate bed sections.

	1998 actual	1999 est.	2000 est.
Patients treated .....	45,850	48,733	48,771
Average daily census .....	2,937	2,203	1,842
Average employment .....	6,177	4,933	4,092

*Residential care.*—An increase of \$27 million is estimated in 2000 for the care of veterans in locations other than their own homes, such as residential rehabilitation and domiciliary care programs. This increase and the following workload figures do not reflect initiatives to expand services to homeless veterans in 2000.

	1998 actual	1999 est.	2000 est.
Patients treated .....	49,987	60,307	65,295
Average daily census .....	10,662	11,360	11,586
Average employment .....	4,348	4,963	5,278

*Outpatient care.*—An increase of \$587 million is estimated in 2000 for the cost of outpatient medical and dental care provided by staff, physicians, and dentists participating under a fee basis arrangement for certain eligible veterans.

**NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS**

	1998 actual	1999 est.	2000 est.
<b>Medical visits (in thousands):</b>			
Staff visits .....	33,417	35,857	37,645
Fee visits .....	1,555	1,585	1,742
Readjustment counseling .....	805	810	840
Total .....	35,777	38,252	40,227
<b>Dental:</b>			
<b>Staff:</b>			
Examinations .....	287,308	296,000	296,000
Treatments .....	159,754	165,000	165,000
Total .....	447,062	461,000	461,000
<b>Fee: Cases completed</b>			
.....	14,593	16,000	16,000
Average employment .....	67,783	73,644	77,636

*Miscellaneous benefits and services.*—An increase of \$5 million is estimated in 2000 for the cost of this activity which includes items of nondirect medical care and treatment such as beneficiary travel, care of the dead, operation of personnel quarters at medical facilities, and the cost of furnishing supply, engineering, housekeeping, and other administrative support services to other departments on a nonreimbursable basis.

	1998 actual	1999 est.	2000 est.
Average employment .....	7,323	8,100	8,788

**Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).—An increase of \$10 million is estimated in 2000 for private hospital and outpatient care for dependents and survivors of certain veterans.**

	1998 actual	1999 est.	2000 est.
Average daily hospital census .....	146	146	146
Outpatient (in thousands) .....	982	1,076	1,178
Average employment .....	169	169	169

**Object Classification (in millions of dollars)**

Identification code 36-0160-0-1-703	1998 actual	1999 est.	2000 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	6,472	6,636	6,580
11.3 Other than full-time permanent .....	870	892	913
11.5 Other personnel compensation .....	852	874	895
11.9 Total personnel compensation .....	8,194	8,402	8,388
12.1 Civilian personnel benefits .....	1,965	2,022	2,089
13.0 Benefits for former personnel .....	60	11	11
<b>Travel and transportation of persons:</b>			
21.0 Employee travel .....	45	55	55
21.0 Beneficiary travel .....	110	115	116
21.0 Interagency motor pool payments .....	14	18	16
21.0 All other .....	32	32	36
22.0 Transportation of things .....	22	22	21
23.1 Rental payments to GSA .....	10	18	19
23.2 Rental payments to others .....	56	60	64
23.3 Communications, utilities, and miscellaneous charges .....	457	474	480
24.0 Printing and reproduction .....	12	14	14
25.2 Other contractual services .....	1,432	1,560	1,515
<b>Medical care:</b>			
25.6 Outpatient dental fees .....	12	14	15
25.6 Medical and nursing fees .....	301	319	365
25.6 Community nursing homes .....	255	275	303
25.6 Contract hospitalization .....	165	185	213
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs .....	100	106	116
<b>Supplies and materials:</b>			
26.0 Supplies and materials .....	2,768	3,134	3,190
26.0 Provisions .....	81	78	73
31.0 Equipment .....	700	684	500
32.0 Land and structures .....	315	310	225
<b>Grants, subsidies, and contributions:</b>			
41.0 Grants, subsidies, and contributions .....	235	273	321
41.0 Grants to private organizations .....	6	20	32
43.0 Interest and dividends .....	2	2	1
99.0 Subtotal, direct obligations .....	17,349	18,203	18,178
99.0 Reimbursable obligations .....	92	147	186
99.9 Total new obligations .....	17,441	18,350	18,364

**Personnel Summary**

Identification code 36-0160-0-1-703	1998 actual	1999 est.	2000 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	183,743	180,692	174,107
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	1,025	1,558	1,893

**MEDICAL CARE**

**(Legislative proposal, not subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 36-0160-2-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
<b>Operating expenses:</b>			
<b>Provision of veterans health care:</b>			
00.01 Acute hospital care .....			-78
00.02 Rehabilitative care .....			-6

00.03 Psychiatric care .....			-17
00.05 Subacute care .....			-5
00.07 Outpatient care .....			-138
00.10 Emergency Care .....			244
10.00 Total new obligations .....			

**Change in unpaid obligations:**

73.10 Total new obligations .....			
-----------------------------------	--	--	--

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....			

**The 2000 budget includes a legislative proposal to authorize VA to cover the cost of out-of-network emergency care for enrolled veterans with compensable disabilities related to military service (Priority groups 1-3). Under law, these veterans have top priority for VA medical services. This legislation would ensure that these veterans have access to emergency care when treatment in VA facilities is not an option.**

**Object Classification (in millions of dollars)**

Identification code 36-0160-2-1-703	1998 actual	1999 est.	2000 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....			-98
11.3 Other than full-time permanent .....			-10
11.5 Other personnel compensation .....			-10
11.9 Total personnel compensation .....			-118
12.1 Civilian personnel benefits .....			-28
25.2 Other contractual services .....			244
26.0 Supplies and materials .....			-98
99.9 Total new obligations .....			

**Personnel Summary**

Identification code 36-0160-2-1-703	1998 actual	1999 est.	2000 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....			-1,580
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....			

**OTHER MEDICAL, SMOKING CESSATION**  
**(Legislative proposal, not subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 36-0166-2-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
10.00 Total new obligations (object class 25.2) .....			56
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			56
23.95 Total new obligations .....			-56
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			56
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			56
73.20 Total outlays (gross) .....			-56
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			56
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			56
90.00 Outlays .....			56

**This legislative proposal would authorize a new smoking-cessation program for any honorably discharged veteran who began smoking in the military. The program would be deliv-**

**General and special funds—Continued**

*OTHER MEDICAL, SMOKING CESSATION—Continued*

ered by private providers on a per capita basis. Any veteran who began smoking in the military would be eligible for this new program to the extent that resources are available.

A legislative proposal to authorize this program will be transmitted with the 2000 budget. Once this program is authorized, the Administration will submit a budget amendment requesting an appropriation of \$56 million for this new activity.

**MEDICAL AND PROSTHETIC RESEARCH**

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, [2000] 2001, \$316,000,000, plus reimbursements[: *Provided*, That of the funds made available under this heading, \$6,000,000 is for the Musculoskeletal Disease Center, which amount shall remain available for obligation until expended]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing (in millions of dollars)**

Identification code 36-0161-0-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Direct program:			
Operating expenses:			
00.01 Medical research .....	159	203	203
00.02 Rehabilitation research .....	24	31	30
00.03 Health services research .....	31	40	40
00.04 Cooperative studies research .....	24	31	31
00.91 Total operating expenses .....	238	305	304
Capital investment:			
01.01 Medical research .....	25	9	7
01.02 Rehabilitation research .....	6	3	2
01.03 Health services research .....	5	2	2
01.04 Cooperative studies research .....	3	1	1
01.91 Total capital investment .....	39	15	12
01.92 Total direct program .....	277	320	316
09.01 Reimbursable program .....	52	35	29
10.00 Total new obligations .....	329	355	345
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	28	19	15
22.00 New budget authority (gross) .....	324	351	345
23.90 Total budgetary resources available for obligation .....	352	370	360
23.95 Total new obligations .....	-329	-355	-345
23.98 Unobligated balance expiring .....	-4		
24.40 Unobligated balance available, end of year .....	19	15	15
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	272	316	316
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	52	35	29
70.00 Total new budget authority (gross) .....	324	351	345
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	94	122	138
73.10 Total new obligations .....	329	355	345
73.20 Total outlays (gross) .....	-299	-339	-344
73.40 Adjustments in expired accounts .....	-3		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	122	138	140
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	171	232	232
86.93 Outlays from current balances .....	76	72	83
86.97 Outlays from new permanent authority .....	52	35	29

87.00	Total outlays (gross) .....	299	339	344
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-52	-35	-29
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	272	316	316
90.00	Outlays .....	247	304	315

The Medical and Prosthetic Research account is an intramural program whose mission is to discover knowledge and create innovations that advance the health and care of veterans and the Nation. Veterans health issues are addressed comprehensively in the following four program divisions:

**Medical Research.**—Medical Research strives to understand the disease process so that efficient, rational interventions can be made to cure or alleviate the effects of disease. The program supports investigator-initiated research projects, the training of clinicians in basic and clinical research, and centers of excellence devoted to specific diseases. The research is done in areas particularly relevant to the veteran population—aging, chronic disease, mental illness, substance abuse, military occupations, and environmental exposures.

**Rehabilitation Research.**—Rehabilitation Research is dedicated to the development and application of science and engineering to improve the care and quality of life for the physically disabled. The program supports investigator-initiated research projects, the training of clinicians and engineers in rehabilitation research, centers of excellence devoted to specific disabilities, and technology transfer. The research is done in areas particularly relevant to the disabled veteran population—aging, sensory loss, and trauma related illness.

**Health Services Research.**—Health Services Research is directed toward improving the outcome effectiveness and cost efficiency of health care delivery for the veteran population. The program supports investigator-initiated research projects, the training of clinicians in applied clinical research, centers of excellence devoted to specific aspects of health care delivery, and service-directed projects addressing clinical management needs. The research focuses on the translation of research findings to clinical best practices for all veteran patients. Particular contributions are made in the areas of aging, substance abuse, health systems, and special populations.

**Cooperative Studies.**—Cooperative Studies Research has recently been separated from the Medical Research and Health Services Research programs and is directed toward large multi-site clinical trials. Cooperative Studies supports the clinical trials with its own statistical support centers and its own FDA-approved pharmacy. The research determines the efficacy and cost effectiveness of new medications and new treatment strategies of direct benefit to the veteran population in the areas of aging, chronic disease, mental illness, special populations, and military occupations and environmental exposures.

VA's Medical and Prosthetic Research programs are included in the 21st Century Research Fund.

**SUMMARY OF BUDGETARY RESOURCES**

	[In millions of dollars]		
	1998 actual	1999 est.	2000 est.
Medical and prosthetic research appropriation .....	272	316	316
Medical care appropriation .....	311	354	343
Federal grants (NIH) .....	286	323	333
Other grants (voluntary agencies, private proprietary) .....	129	146	150
DOD reimbursements .....	15	6	0*
Total budgetary resources .....	1,013	1,145	1,142

\*DoD reimbursements for FY 1999 are unknown.

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	1998 actual	1999 est.	2000 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	38	44	44
11.3 Other than full-time permanent .....	65	74	74
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	105	120	120
12.1 Civilian personnel benefits .....	24	29	29
13.0 Benefits for former personnel .....	1	1	1
21.0 Employee travel .....	2	2	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....	2	2	1
25.5 Research and development contracts .....	74	116	116
26.0 Supplies and materials .....	31	35	34
31.0 Equipment .....	39	16	11
99.0 Subtotal, direct obligations .....	279	322	316
99.0 Reimbursable obligations .....	50	33	29
99.9 Total new obligations .....	329	355	345

Personnel Summary

Identification code 36-0161-0-1-703	1998 actual	1999 est.	2000 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	2,157	2,549	2,532
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	601	387	306

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of [planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology, \$63,000,000] *capital policy activities, \$61,200,000 plus reimbursements, of which \$311,000 may be transferred and merged with "National Cemetery Administration," and up to \$104,000 may be transferred and merged with "General Operating Expenses": Provided, That project technical and consulting services offered by the Facilities Management Service Delivery Office, including technical consulting services, project management, real property administration (including leases, site acquisition and disposal activities directly supporting projects), shall be provided to Department of Veterans Affairs components only on a reimbursable basis, and such amounts will remain available until September 30, 2000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)*

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Operating expenses: Integrated health care system administration .....	58	62	60
00.02 Capital investment .....	2	1	1
01.00 Total direct program .....	60	63	61
09.01 Reimbursable program .....			7
10.00 Total new obligations .....	60	63	68
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	60	63	68
23.95 Total new obligations .....	-60	-63	-68
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation .....	60	63	61

<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			7
70.00 Total new budget authority (gross) .....	60	63	68

<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	10	12	12
73.10 Total new obligations .....	60	63	68
73.20 Total outlays (gross) .....	-57	-63	-67
<b>Unpaid obligations, end of year:</b>			
74.40 Obligated balance, end of year .....	12	12	5
74.95 From Federal sources: Receivables and unpaid, unfilled orders .....			7
74.99 Total unpaid obligations, end of year .....	12	12	12

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	55	57	55
86.93 Outlays from current balances .....	3	6	6
86.97 Outlays from new permanent authority .....			6
87.00 Total outlays (gross) .....	57	63	67

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.45 Offsetting collections (cash) from: Offsetting governmental collections .....			-7

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	60	63	61
90.00 Outlays .....	57	63	60

*Supervision and administration of VA's comprehensive and integrated healthcare system.—Central office staff elements provide executive direction for all Departmental medical and construction programs through program development, implementation, and the administration of policies, plans, and objectives. In 2000, the Facilities Management Service Delivery Office will be directly reimbursed from organizations utilizing its services. The funding for tactical management and support activities is being aligned with organizations that directly utilize its services.*

Object Classification (in millions of dollars)

Identification code 36-0152-0-1-703	1998 actual	1999 est.	2000 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	37	38	37
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	2	3	2
11.9 Total personnel compensation .....	42	44	42
12.1 Civilian personnel benefits .....	6	7	7
21.0 Travel and transportation of persons: employee travel .....	1	1	1
23.1 Rental payments to GSA .....	5	5	5
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	3	3	3
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Subtotal, direct obligations .....	60	63	61
99.0 Reimbursable obligations .....			7
99.9 Total new obligations .....	60	63	68

Personnel Summary

Identification code 36-0152-0-1-703	1998 actual	1999 est.	2000 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	522	540	516
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....			57

**General and special funds—Continued**

**HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM**

**Program and Financing (in millions of dollars)**

Identification code 36-0163-0-1-703	1998 actual	1999 est.	2000 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	2	2	
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

*Health professional scholarship.*—To assist in the recruitment and retention of staff, this program provided grants for tuition, stipend, and other educational expenses for eligible students in programs leading to a degree in nursing or other allied health disciplines.

No appropriation for this account was requested in 1998 through 2000.

**MEDICAL CARE COST RECOVERY FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 36-5014-0-2-703	1998 actual	1999 est.	2000 est.
<b>Balance, start of year:</b>			
01.99 Balance, start of year .....	486		
<b>Receipts:</b>			
02.01 Medical cost recovery .....	-494		
04.00 Total: Balances and collections .....	-8		
06.10 Unobligated balance returned to receipts .....	9		
07.99 Total balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 36-5014-0-2-703	1998 actual	1999 est.	2000 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	9		
23.98 Unobligated balance expiring .....	-9		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	13	1	
73.20 Total outlays (gross) .....	-11	-1	
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	11	1	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	11	1	

The Medical Care Cost Recovery (MCCR) Fund was established by the Omnibus Budget Reconciliation Act of 1990, P.L. 100-508. This Fund served as a depository for all third-party insurance collections. Of these funds, a portion was utilized to provide for FTE and other administrative costs associated with medical care cost recovery efforts. After providing the estimated cost of operations for the ensuing year, remaining funds were transferred to the Department of Treasury before January of the next year. Public Law 105-33, the Balanced Budget Act of 1997, established the Medical Care Collections Fund (MCCF) and terminated MCCR and required that amounts collected or recovered after June 30, 1997 be deposited in the new fund. The amounts collected will be available only for: (1) furnishing VA medical care

and services during any fiscal year, and (2) for VA expenses for identification, billing, auditing and collections of amounts owed the government.

**Public enterprise funds:**

**MEDICAL FACILITIES REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 36-4138-0-3-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable operating costs .....		4	2
09.02 Reimbursable capital expenses .....	1	1	2
10.00 Total new obligations .....	1	5	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	6	5	4
22.00 New budget authority (gross) .....		5	2
23.90 Total budgetary resources available for obligation .....	6	10	6
23.95 Total new obligations .....	-1	-5	-4
24.40 Unobligated balance available, end of year .....	5	4	4
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....		5	2
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	1	5	4
73.20 Total outlays (gross) .....	-2	-5	-4
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....		2	2
86.98 Outlays from permanent balances .....	2	3	2
87.00 Total outlays (gross) .....	2	5	4
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....		-5	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	2		2

This account provides funds for the operating expenses of VA medical facilities furnishing nursing home care to certain veterans in receipt of pensions. Title 38 provides that a veteran with no spouse or child will only receive \$90 per month in pension beginning the third full month following the month of admission to VA furnished nursing home care. The difference between the \$90 the veteran receives and the amount otherwise authorized is transferred to this fund from the Compensation and Pension account to assist in covering expenses at the facility furnishing the nursing care.

**Object Classification (in millions of dollars)**

Identification code 36-4138-0-3-703	1998 actual	1999 est.	2000 est.
25.2 Other services .....			1
26.0 Supplies and materials .....		2	1
31.0 Equipment .....	1	3	2
99.9 Total new obligations .....	1	5	4

**CANTEEN SERVICE REVOLVING FUND**

**Program and Financing (in millions of dollars)**

Identification code 36-4014-0-3-705	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable operating expenses .....	122	130	132

09.02	Reimbursable direct operations .....	82	86	88
09.10	Reimbursable capital investment: Sales program: Purchase of equipment and leasehold .....	5	6	7
10.00	Total new obligations .....	209	222	227
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	16	15	16
22.00	New budget authority (gross) .....	209	223	228
23.90	Total budgetary resources available for obligation .....	225	238	244
23.95	Total new obligations .....	-209	-222	-227
24.40	Unobligated balance available, end of year .....	15	16	17
<b>New budget authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	209	223	228
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	23	24	22
73.10	Total new obligations .....	209	222	227
73.20	Total outlays (gross) .....	-209	-223	-229
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	24	22	20
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	206	220	226
86.98	Outlays from permanent balances .....	3	3	3
87.00	Total outlays (gross) .....	209	223	229
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-2	-2	-2
88.40	Non-Federal sources .....	-207	-221	-226
88.90	Total, offsetting collections (cash) .....	-209	-223	-228
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....			1
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: U.S. securities: Par value .....	38	38	42
92.02	Total investments, end of year: U.S. securities: Par value .....	38	42	42

The Veterans Canteen Service was established to furnish, at reasonable prices, merchandise and services necessary to the comfort and well-being of veterans in VA medical facilities.

**Financing.**—Operations will be financed from current revenues.

Object Classification (in millions of dollars)				
Identification code 36-4014-0-3-705	1998 actual	1999 est.	2000 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	38	37	37
11.3	Other than full-time permanent .....	19	22	24
11.9	Total personnel compensation .....	57	59	61
12.1	Civilian personnel benefits .....	14	14	14
21.0	Travel and transportation of persons .....	1	1	1
25.2	Other services .....	4	4	3
26.0	Supplies and materials .....	128	138	141
31.0	Equipment .....	5	6	7
99.9	Total new obligations .....	209	222	227

**Personnel Summary**

Identification code 36-4014-0-3-705	1998 actual	1999 est.	2000 est.	
<b>Total compensable workyears:</b>				
2001	Full-time equivalent employment .....			3,050
2011	Exempt Full-time equivalent employment .....	2,977	3,000	

**SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND**

Program and Financing (in millions of dollars)				
Identification code 36-4048-0-3-703	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
09.01	Contracts .....	25	28	31
09.02	Education and training .....	1	2	2
09.03	Operating expenses .....	13	15	16
10.00	Total new obligations .....	39	45	49
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	9	12	12
22.00	New budget authority (gross) .....	42	45	49
23.90	Total budgetary resources available for obligation .....	51	57	61
23.95	Total new obligations .....	-39	-45	-49
24.40	Unobligated balance available, end of year .....	12	12	12
<b>New budget authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	42	45	49
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	2	1	3
73.10	Total new obligations .....	39	45	49
73.20	Total outlays (gross) .....	-39	-43	-47
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	1	3	5
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	39	43	47
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from: Non-Federal sources .....				
88.40		-42	-45	-49
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-2	-2	-2

This revolving fund, established pursuant to the Veterans Omnibus Health Care Act of 1976, Public Law 94-581, provides a mechanism for the furnishing of rehabilitative services to certain veteran beneficiaries who are receiving medical care and treatment from the Department of Veterans Affairs.

Funds to operate the various rehabilitative activities and provide for the therapeutic work for remuneration for patients and members in VA health care facilities are derived from contractual arrangements with private industry or nonprofit entities. Public Law 102-54 authorizes VA to contract with any Federal agency, including VA, and authorizes the Fund to cover the training, education, and travel costs of employees associated with the rehabilitative programs. This is a self-sustaining fund, and therefore no appropriation is required to support these activities.

**Statement of Operations (in millions of dollars)**

Identification code 36-4048-0-3-703	1997 actual	1998 actual	1999 est.	2000 est.
0101	Revenue .....	38	41	45
0102	Expense .....	-36	-39	-45
0109	Net income or loss (-) .....	2	2	

**Balance Sheet (in millions of dollars)**

Identification code 36-4048-0-3-703	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101	Fund balances with Treasury .....	11	13	15
	Investments in US securities:			
1106	Receivables, net .....	1	2	2
1206	Non-Federal assets: Receivables, net .....	2	1	1
1803	Other Federal assets: Property, plant and equipment, net .....	1	1	1

**Public enterprise funds—Continued**

**SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 36-4048-0-3-703	1997 actual	1998 actual	1999 est.	2000 est.
1999 Total assets .....	15	17	19	21
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....	1	1	1	1
2999 Total liabilities .....	1	1	1	1
<b>NET POSITION:</b>				
3200 Invested capital .....	1			
3300 Cumulative results of operations .....	13	16	18	19
3999 Total net position .....	14	16	18	19
4999 Total liabilities and net position .....	15	17	19	20

**Object Classification (in millions of dollars)**

Identification code 36-4048-0-3-703	1998 actual	1999 est.	2000 est.
25.2 Other services .....	35	40	44
26.0 Supplies and materials .....	3	4	4
31.0 Equipment .....	1	1	1
99.9 Total new obligations .....	39	45	49

**MEDICAL CENTER RESEARCH ORGANIZATIONS**

**Program and Financing (in millions of dollars)**

Identification code 36-4026-0-3-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Operating expenses .....	76	81	80
09.02 Capital investments .....	9	6	9
10.00 Total new obligations .....	85	87	89
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	18	18	18
22.00 New budget authority (gross) .....	85	87	89
23.90 Total budgetary resources available for obligation .....	103	105	107
23.95 Total new obligations .....	-85	-87	-89
24.40 Unobligated balance available, end of year .....	18	18	18
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	85	87	89
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	85	87	89
73.20 Total outlays (gross) .....	-85	-87	-89
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	85	87	89
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-16	-17	-17
88.40 Non-Federal sources .....	-69	-70	-72
88.90 Total, offsetting collections (cash) .....	-85	-87	-89
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

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

**Object Classification (in millions of dollars)**

Identification code 36-4026-0-3-703	1998 actual	1999 est.	2000 est.
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	53	56	55
26.0 Supplies and materials .....	22	24	24
31.0 Equipment .....	9	6	9
99.9 Total new obligations .....	85	87	89

**Trust Funds**

**GENERAL POST FUND, NATIONAL HOMES  
(INCLUDING TRANSFER OF FUNDS)**

For the cost of direct loans, \$7,000, as authorized by Public Law 102-54, section 8, which shall be transferred from the "General post fund": *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$70,000.

In addition, for administrative expenses to carry out the direct loan programs, \$54,000, which shall be transferred from the "General post fund", as authorized by Public Law 102-54, section 8. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Unavailable Collections (in millions of dollars)**

Identification code 36-8180-0-7-705	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99 Balance, start of year .....	2	2	2
Receipts:			
02.01 General post fund, national homes, deposits .....	28	29	29
02.02 General post fund, national homes, interest on investments .....	3	3	3
02.99 Total receipts .....	31	32	32
04.00 Total: Balances and collections .....	33	34	34
Appropriation:			
05.01 General post fund, national homes .....	-31	-32	-32
07.99 Total balance, end of year .....	2	2	2

**Program and Financing (in millions of dollars)**

Identification code 36-8180-0-7-705	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Religious, recreational, and entertainment activities .....	24	24	25
00.02 Research activities .....	4	4	4
00.03 Therapeutic residence maintenance .....	1	1	1
10.00 Total new obligations .....	29	29	30
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	41	43	45
22.00 New budget authority (gross) .....	31	32	32
23.90 Total budgetary resources available for obligation .....	72	75	77
23.95 Total new obligations .....	-29	-29	-30
24.40 Unobligated balance available, end of year .....	43	45	48
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite) .....	31	32	32
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	4	4	5
73.10 Total new obligations .....	29	29	30
73.20 Total outlays (gross) .....	-28	-29	-29
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	4	5	6
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	23	26	27
86.98 Outlays from permanent balances .....	3	2	2
87.00 Total outlays (gross) .....	28	29	29

Net budget authority and outlays:				
89.00	Budget authority .....	31	32	32
90.00	Outlays .....	28	29	29
Memorandum (non-add) entries:				
92.01	Total investments, start of year: U.S. securities: Par value .....	37	45	45
92.02	Total investments, end of year: U.S. securities: Par value .....	45	45	46

This fund consists of: gifts, bequests, and proceeds from the sale of property left in the care of the facilities by former beneficiaries; patients' fund balances; and, proceeds from the sale of effects of beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of veterans at hospitals, nursing homes, and domiciliaries where no general appropriation is available. Public Law 102-54 authorizes compensation work therapy and therapeutic transitional housing and loan programs to be funded from the General post fund. In addition, donations from pharmaceutical companies, non-profit corporations, and individuals to support VA medical research are deposited into this fund. (38 U.S.C. chs. 83 and 85.)

Also under this heading are the activities of the Transitional housing loan program. This program provides loans to nonprofit organizations to assist them in leasing housing units exclusively for use as a transitional group residence for veterans who are in (or who have recently been in) a program for the treatment of substance abuse. The amount of the loan cannot exceed \$4,500 for any single residential unit and each loan must be repaid within two years through monthly installments. The total amount of loans outstanding at any time may not exceed \$100,000.

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705		1998 actual	1999 est.	2000 est.
21.0	Travel and transportation of persons .....	1	1	1
25.2	Other services .....	12	12	12
26.0	Supplies and materials .....	12	12	13
31.0	Equipment .....	3	3	3
32.0	Land and structures .....	1	1	1
99.9	Total new obligations .....	29	29	30

**VETERANS BENEFITS ADMINISTRATION**

*Federal Funds*

**General and special funds:**

**[Compensation and Pensions]**

[For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), \$21,857,058,000, to remain available until expended: *Provided*, That not to exceed \$24,534,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further*, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of indi-

vidual medical facilities for nursing home care provided to pensioners as authorized.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Activities formerly included in this account are proposed to be financed by three separate appropriation accounts in 1999 and are presented below in the "Compensation", "Pensions", and "Burial benefits and miscellaneous assistance" accounts. Amounts for 1998, 1999, and 2000 are shown on a comparable basis. The following table shows the distribution of the amounts (dollars in millions) appropriated in 1998 and 1999 and requested in 2000.

	1998 actual	1999 est.	2000 est.
Distribution of budget authority by account:			
Compensation .....	\$17,295	\$18,623	\$18,310
Pensions .....	\$3,071	\$3,106	\$3,136
Burial benefits .....	\$117	\$129	\$123
Distribution of outlays by account:			
Compensation .....	\$17,114	\$18,295	\$18,658
Pensions .....	\$3,059	\$3,102	\$3,135
Burial benefits .....	\$117	\$129	\$123

COMPENSATION

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law, \$18,310,271,000, to remain available until expended, of which not to exceed \$1,388,000 shall be reimbursed to "General operating expenses" for necessary expenses, as authorized by chapters 11, 13, 18, 51, 53, 55 and 61 of title 38, United States Code.

For the payment, after June 30 of the current fiscal year, of compensation benefits to or on behalf of veterans as authorized by law, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary. (38 U.S.C. 107, and chapters 11, 13, and 61, 38 U.S.C.)

Program and Financing (in millions of dollars)

Identification code 36-0153-0-1-701		1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>				
Compensation:				
Veterans:				
00.02	World War I .....	1	1	1
00.03	World War II .....	3,313	3,350	3,189
00.04	Korean conflict .....	1,214	1,213	1,215
00.05	Vietnam era .....	5,540	6,082	6,292
00.06	Peacetime service .....	2,870	3,181	3,363
00.07	Persian Gulf conflict .....	853	971	1,060
00.91	Total veterans .....	13,791	14,798	15,120
Survivors:				
01.04	World War I .....	48	42	38
01.05	World War II .....	1,304	1,348	1,382
01.06	Korean conflict .....	403	420	430
01.07	Vietnam era .....	1,046	1,127	1,180
01.08	Peacetime service .....	454	458	458
01.09	Persian Gulf conflict .....	65	75	83
01.91	Total survivors .....	3,320	3,470	3,571
02.01	Clothing allowance .....	40	40	40
02.93	Total compensation .....	17,151	18,308	18,731
Children:				
03.02	Vietnam era .....	7	7	8
Other expenses:				
07.01	Payment to general operating expense .....	1	1	1
07.02	Medical exam pilot program .....	9	17	20
07.91	Total other expenses .....	10	18	21
10.00	Total obligations (object class 42.0) .....	17,168	18,333	18,760
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	146	274	450
22.00	New budget authority (gross) .....	17,295	18,623	18,310
22.21	Unobligated balance transferred to other accounts .....		- 113	
23.90	Total budgetary resources available for obligation .....	17,441	18,784	18,760
23.95	Total new obligations .....	- 17,168	- 18,333	- 18,760
24.40	Unobligated balance available, end of year .....	274	450	
<b>New budget authority (gross), detail:</b>				
40.00	Appropriation .....	17,295	18,623	18,310

**General and special funds—Continued**

*COMPENSATION—Continued*

**Program and Financing (in millions of dollars)—Continued**

Identification code 36-0153-0-1-701	1998 actual	1999 est.	2000 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	1,293	1,347	1,386
73.10 Total new obligations .....	17,168	18,333	18,760
73.20 Total outlays (gross) .....	-17,114	-18,295	-18,658
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1,347	1,386	1,488
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	15,821	16,948	17,272
86.93 Outlays from current balances .....	1,293	1,347	1,386
87.00 Total outlays (gross) .....	17,114	18,295	18,658
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17,295	18,623	18,310
90.00 Outlays .....	17,114	18,295	18,658

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1998 actual	1999 est.	2000 est.
Enacted/requested:			
Budget Authority .....	17,295	18,623	18,310
Outlays .....	17,114	18,295	18,658
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			293
Outlays .....			264
Legislative proposal, subject to PAYGO:			
Budget Authority .....			5
Outlays .....			5
Total:			
Budget Authority .....	17,295	18,623	18,608
Outlays .....	17,114	18,295	18,927

This appropriation would provide for the payment of compensation benefits to veterans and survivors. Compensation is paid to veterans for disabilities incurred in or aggravated during active military service. Dependency and Indemnity Compensation is paid to survivors of servicepersons or veterans whose death occurred while on active duty or as a result of service-connected disabilities. Compensation and vocational rehabilitation is provided to the children of Vietnam veterans who were born with the birth defect spina bifida.

The Secretary may pay a clothing allowance to each veteran who uses a prescribed medication for a service-connected skin condition or wears a prosthetic or orthopedic appliance (including a wheelchair) which, in the judgment of the Secretary, tends to damage or tear the clothing of such veteran.

Caseload and cost tables shown below do not include proposed legislation.

**AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS**

Veterans:	1998 actual	1999 est.	2000 est.
Mexican border period .....	9	7	6
World War I .....	190	130	80
World War II .....	595,220	559,100	521,200
Korean conflict .....	180,383	176,700	172,800
Vietnam era .....	726,655	733,364	741,034
Peacetime service .....	544,556	558,600	576,000
Persian Gulf conflict .....	222,690	246,000	256,500
Total .....	2,269,703	2,273,901	2,267,620
Average payment per case, per year .....	\$6,076	\$6,507	\$6,668
Total obligations (in millions) .....	\$13,791	\$14,797	\$15,120
Children of Vietnam era veterans:			
Children .....	633	633	633
Average payment per case, per year .....	\$11,739	\$11,787	\$12,137
Total obligations (in millions) .....	\$7	\$7	\$8
Chapter 18 Vocational rehabilitations:			
Rehabilitations .....	14	14	14
Average payment per case, per year .....	\$125	\$130	\$133
Total obligations (in millions) <sup>1</sup> .....	\$0	\$0	\$0

<sup>1</sup> Amounts round to less than \$1 million.

Survivors:

Prior to Spanish-American War .....	1	1	1
Spanish-American War .....	17	17	17
Mexican border period .....	2	1	1
World War I .....	4,432	3,734	3,147
World War II .....	119,083	116,394	113,834
Korean conflict .....	36,682	36,438	36,222
Vietnam era .....	95,866	98,940	100,134
Peacetime service .....	42,634	41,572	40,539
Persian Gulf conflict .....	5,157	5,651	6,106
Total .....	303,874	302,748	300,001
Average payment per case, per year .....	\$10,926	\$11,462	\$11,902
Total obligations (in millions) .....	\$3,320	\$3,470	\$3,571

Clothing allowance:

Number of veterans .....	76,486	76,627	76,416
Average payment per case, per year .....	\$518	\$528	\$528
Total obligations (in millions) .....	\$40	\$40	\$40

**COMPENSATION**

**(Legislative proposal, not subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 36-0153-2-1-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
<b>Compensation:</b>			
<b>Veterans:</b>			
00.03 World War II .....			47
00.04 Korean conflict .....			17
00.05 Vietnam era .....			93
00.06 Peacetime service .....			49
00.07 Persian Gulf conflict .....			15
00.91 Total veterans .....			221
<b>Survivors:</b>			
01.05 World War II .....			27
01.06 Korean conflict .....			9
01.07 Vietnam era .....			24
01.08 Peacetime service .....			9
01.09 Persian Gulf conflict .....			2
01.91 Total survivors .....			71
02.01 Clothing allowance .....			1
02.93 Total compensation .....			293
10.00 Total obligations (object class 42.0) .....			293

**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....			293
23.95 Total new obligations .....			-293

**New budget authority (gross), detail:**

40.00 Appropriation .....			293
---------------------------	--	--	-----

**Change in unpaid obligations:**

73.10 Total new obligations .....			293
73.20 Total outlays (gross) .....			-264
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			29

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....			264
--	--	--	-----

**Net budget authority and outlays:**

89.00 Budget authority .....			293
90.00 Outlays .....			264

Legislation will be proposed to provide a cost-of-living adjustment (COLA) to all compensation beneficiaries including spouses and children. This increase, effective December 1, 1999, is expected to be 2.4 percent and cost \$293 million in 2000.

*COMPENSATION*  
*(Legislative proposal, subject to PAYGO)*

Program and Financing (in millions of dollars)

Identification code 36-0153-4-1-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Extend Full Benefits to Certain Filipino Veterans			5
10.00 Total new obligations (object class 42.0)			5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			5
23.95 Total new obligations			-5
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation			5
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations			5
73.20 Total outlays (gross)			-5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority			5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			5
90.00 Outlays			5

Legislation will be proposed to pay full disability compensation benefits to Filipino veterans and their survivors residing in the U.S. and currently receiving benefits at half the level that U.S. counterparts receive.

The Administration is proposing legislation which will extend a current legal provision due to expire in 2002 which rounds down the annual COLA increase.

*PENSIONS*

For the payment of pension benefits to or on behalf of veterans as authorized by law, \$3,135,550,000, to remain available until expended; of which not to exceed \$18,979,000 shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses as authorized by chapters 51, 53, 55, and 61 of title 38, United States Code; and of which such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners, as authorized by chapter 55 of such title.

For the payment, after June 30 of the current fiscal year, of pension benefits to or on behalf of veterans as authorized by law, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary. (38 U.S.C. chapters 15 and 61.)

Program and Financing (in millions of dollars)

Identification code 36-0154-0-1-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Direct program:			
Pensions:			
Veterans:			
04.01 Improved law	2,234	2,317	2,376
04.02 Prior law	57	49	42
04.03 Old law	1		
04.91 Total veterans	2,292	2,366	2,418
Survivors:			
05.01 Improved law	658	624	613
05.02 Prior law	101	92	84
05.03 Old law	2	1	1
05.91 Total survivors	761	717	698
06.93 Total pensions	3,053	3,083	3,116
Other expenses:			
07.01 Medical facility expenses		5	2
07.02 Reimbursement to GOE and VHA	18	18	18
07.91 Total other expenses	18	23	20

08.00 Total direct program	3,071	3,106	3,136
Reimbursable program:			
09.01 Minimum income for widows program		3	3
10.00 Total new obligations	3,071	3,109	3,139

**Budgetary resources available for obligation:**

22.00 New budget authority (gross)	3,071	3,109	3,139
23.95 Total new obligations	-3,071	-3,109	-3,139

**New budget authority (gross), detail:**

Current:			
40.00 Appropriation	3,071	3,106	3,136
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		3	3
70.00 Total new budget authority (gross)	3,071	3,109	3,139

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance, start of year	266	278	282
73.10 Total new obligations	3,071	3,109	3,139
73.20 Total outlays (gross)	-3,059	-3,105	-3,138
74.40 Unpaid obligations, end of year: Obligated balance, end of year	278	282	283

**Outlays (gross), detail:**

86.90 Outlays from new current authority	2,793	2,824	2,854
86.93 Outlays from current balances	266	278	281
86.97 Outlays from new permanent authority		3	3
87.00 Total outlays (gross)	3,059	3,105	3,138

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-3	-3

**Net budget authority and outlays:**

89.00 Budget authority	3,071	3,106	3,136
90.00 Outlays	3,059	3,102	3,135

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

Veterans who are under the age of 45 and are in receipt of a disability pension will be evaluated to determine whether a vocational goal is reasonably feasible. Those for whom a vocational goal is feasible are eligible for a program of vocational training.

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2000, is expected to be 2.4 percent.

**AVERAGE NUMBER OF PENSION CASES AND PAYMENTS**

	1998 actual	1999 est.	2000 est.
<b>Veterans:</b>			
Improved law	360,647	357,473	355,103
Prior law	35,473	30,103	25,571
Old law and service	443	376	321
Total	396,563	387,952	380,995
Average payment per case, per year (in dollars)	\$5,780	\$6,100	\$6,349
Total obligations (in millions)	\$2,292	\$2,367	\$2,419
<b>Survivors:</b>			
Improved law	196,575	190,654	185,411
Prior law	100,437	90,020	80,825
Old law and service	2,443	2,041	1,709
Total	299,455	282,715	267,945
Average payment per case, per year	\$2,544	\$2,538	\$2,603

**General and special funds—Continued**

*PENSIONS—Continued*

**AVERAGE NUMBER OF PENSION CASES AND PAYMENTS—Continued**

	1998 actual	1999 est.	2000 est.
Total obligations (in millions) .....	\$762	\$718	\$697
Minimum Income for Widows Program:			
Widows .....	0	675	670
Average benefit per case, per year .....	0	\$5,080	\$5,193
Total obligations (in millions) .....	0	\$3	\$3
Vocational training:			
Trainees .....	29	15	8
Average benefit per year .....	\$3,578	\$2,800	2,875
Total obligations (in millions) <sup>1</sup> .....	0	0	0

<sup>1</sup> Amounts round to less than \$1 million.

**Object Classification (in millions of dollars)**

Identification code 36-0154-0-1-701	1998 actual	1999 est.	2000 est.
42.0 Direct obligations: Insurance claims and indemnities	3,071	3,106	3,136
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....		3	3
99.9 Total new obligations .....	3,071	3,109	3,139

The Administration is proposing legislation which will extend two provisions of the Balanced Budget Act of 1997 due to expire in 2002: (1) authorization of VA access to certain Internal Revenue Service data for determining eligibility for veterans pension benefits; and (2) limiting pension benefits to Medicaid-eligible beneficiaries in nursing homes.

*BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE*

For the payment of burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law, \$122,543,000, to remain available until expended. (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61, 38 U.S.C.; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; Stat. 76 Stat. 1198.)

**Program and Financing (in millions of dollars)**

Identification code 36-0155-0-1-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
<b>Burial benefits:</b>			
07.01 Burial allowances .....	33	34	33
07.02 Burial plots .....	11	10	10
07.03 Service-connected deaths .....	12	12	12
07.04 Burial flags .....	15	18	19
07.05 Headstones and markers .....	32	33	34
07.06 Graveliners .....	7	8	8
07.07 Pre-placed crypts .....	4	11	4
07.91 Total burial benefits .....	114	126	120
08.03 Special allowance dependents .....	1	1	1
08.04 Equal access to justice .....	2	2	2
08.91 Total miscellaneous assistance .....	3	3	3
10.00 Total obligations (object class 42.0) .....	117	129	123
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	117	129	123
23.95 Total new obligations .....	-117	-129	-123
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	117	129	123
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	117	129	123
73.20 Total outlays (gross) .....	-117	-129	-123

Outlays (gross), detail:				
86.90	Outlays from new current authority .....	117	129	123
Net budget authority and outlays:				
89.00	Budget authority .....	117	129	123
90.00	Outlays .....	117	129	123

*Burial benefits.*—Provides for: (a) the payment of an allowance of \$300 (plus transportation charges where death occurs under VA care) to reimburse, in part, the burial and funeral expense of an eligible deceased veteran; (b) the payment of \$150 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to \$1,500 when a veteran dies as the result of service-connected disability; (d) furnishing a flag to drape the casket of each deceased veteran entitled thereto; (e) furnishing a headstone or marker for the grave of a veteran and, in certain cases, eligible dependents; and (f) authority to provide outer burial receptacles in the National Cemetery System.

**NUMBER OF BURIAL BENEFITS**

	1998 actual	1999 est.	2000 est.
Burial allowance .....	83,948	83,000	82,100
Burial plot .....	73,344	69,000	64,900
Service-connected death .....	9,293	9,310	9,280
Burial flags .....	466,462	476,090	482,060
Headstone markers .....	326,096	336,540	342,960
Headstone allowance .....	9	0	0
Graveliners .....	40,226	46,667	46,142
Preplaced crypts .....	12,488	37,086	12,200

*Miscellaneous assistance.*—Provides for: (a) payments to emergency officers of World War I and certain officers of the Regular Establishment who have retired because of service-connected disability; (b) payments for claims made pursuant to the provision of the World War Adjusted Compensation Act of 1924, as amended; (c) a special allowance (38 U.S.C. 1312) to dependents of certain veterans who died after December 31, 1956, but who were not fully and currently insured under the Social Security Act; and (d) payments authorized by the Equal Access to Justice Act.

**MISCELLANEOUS ASSISTANCE CASELOAD**

	1998 actual	1999 est.	2000 est.
Retired Officers .....	2	2	1
Special allowance dependents .....	138	138	138
Equal Access to Justice payments .....	517	517	517

**READJUSTMENT BENEFITS**

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, **[\$1,175,000,000]**, \$1,469,000,000, to remain available until expended: *Provided*, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98-77, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing (in millions of dollars)**

Identification code 36-0137-0-1-702	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
<b>Education and training:</b>			
00.01 Sons and daughters .....	95	118	121
00.02 Spouses .....	11	14	15
00.91 Total education and training .....	106	132	136
<b>Special assistance to disabled veterans:</b>			
01.01 Vocational rehabilitation .....	406	403	406
01.02 Housing grants .....	16	19	19
01.03 Automobiles, adaptive equipment, maintenance and repair .....	27	33	38

01.91	Total special assistance to disabled veterans	449	455	463
02.01	Work study	35	35	40
02.02	Payments to states	13	13	13
02.03	All-volunteer assistance: Veterans' basic benefits	711	814	813
02.04	Reporting fees			4
02.91	All-volunteer assistance and other	759	862	870
02.93	Total direct program	1,314	1,449	1,469
09.01	Veterans' basic benefits	9	8	6
09.01	Veterans' supplementary benefits	76	80	78
09.01	Reservists benefits	87	103	103
09.02	Reservist supplementary benefits		3	5
10.00	Total new obligations	1,486	1,643	1,661
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year	112	165	3
22.00	New budget authority (gross)	1,538	1,369	1,661
22.10	Resources available from recoveries of prior year obligations	2	-1	
22.22	Unobligated balance transferred from other accounts		113	
23.90	Total budgetary resources available for obligation	1,652	1,646	1,664
23.95	Total new obligations	-1,486	-1,643	-1,661
24.40	Unobligated balance available, end of year	165	3	3
<b>New budget authority (gross), detail:</b>				
Current:				
40.00	Appropriation	1,366	1,175	1,469
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	172	194	192
70.00	Total new budget authority (gross)	1,538	1,369	1,661
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	53	55	30
73.10	Total new obligations	1,486	1,643	1,661
73.20	Total outlays (gross)	-1,482	-1,668	-1,658
73.45	Adjustments in unexpired accounts	-2	1	
74.40	Unpaid obligations, end of year: Obligated balance, end of year	55	30	33
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority	1,200	1,145	1,436
86.93	Outlays from current balances	112	330	30
86.97	Outlays from new permanent authority	170	194	192
87.00	Total outlays (gross)	1,482	1,668	1,658
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-172	-194	-192
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	1,366	1,175	1,469
90.00	Outlays	1,310	1,474	1,466

This appropriation finances educational assistance allowances for certain peacetime veterans and for eligible dependents of those veterans: (a) who died from service-connected causes or have a total and permanent rated service-connected disability; and (b) servicepersons who were captured or missing in action. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the associated approved adaptive equipment. The funding level in 2000 will consist of appropriated funds of \$1,469 million.

The following table provides a comparison of trainees and costs for the Dependents Educational Assistance program.

NUMBER OF TRAINEES AND COST				
Sons and daughters:				
	1998 actual	1999 est.	2000 est.	
Number of trainees	37,200	38,300	39,400	
Average cost per trainee (in dollars)	\$2,563	\$3,074	\$3,074	
Total cost (in millions)	\$95	\$118	\$121	
Spouses and widow(ers):				
Number of trainees	5,506	5,800	6,200	

Average cost per trainee (in dollars)	\$2,074	\$2,494	\$2,494
Total cost (in millions)	\$11	\$14	\$15

**Special assistance to disabled veterans.**—Service-disabled veterans requiring vocational rehabilitation receive assistance to cover the costs of subsistence, tuition, books, supplies, and equipment.

Specially adapted housing grants, up to a maximum of \$43,000, are provided to certain severely disabled veterans. Veterans who suffer service-connected blindness or who have lost the use of both upper extremities can receive up to \$8,250.

An allowance, up to a maximum of \$8,000, is provided to certain service-disabled veterans and servicepersons toward the purchase price of an automobile. Adaptive equipment and the maintenance and replacement of such equipment is also provided.

The following table shows caseload for this program. Specific performance goals are contained in VA's annual performance plan.

CASELOAD AND AVERAGE COST DATA

	1998 actual	1999 est.	2000 est.
Total number of trainees	53,004	51,440	50,726
Average cost per trainee	\$7,659	\$7,838	\$8,001
Total cost (in millions)	\$406	\$403	\$406
<b>Housing grants:</b>			
Number of housing grants	478	525	525
Average cost per grant	\$33,188	\$36,900	\$36,900
Total cost (in millions)	\$16	\$19	\$19
<b>Automobiles or other conveyances:</b>			
Number of conveyances	779	822	822
Average cost per conveyance	\$5,481	\$7,900	\$7,900
Total cost (in millions)	\$4	\$6	\$6
<b>Adaptive equipment (including maintenance, repair and installation for automobiles):</b>			
Number of items	8,849	9,960	11,600
Average cost	\$2,616	\$2,668	\$2,729
Total cost (in millions)	\$23	\$27	\$32

**Work-Study.**—Certain veterans pursuing a program of rehabilitation, education, or training, who are enrolled as a full-time student, can work up to 250 hours per semester, receiving the Federal (\$5.15 on 9/1/97) or State minimum wage rate, whichever is higher.

	1998 actual	1999 est.	2000 est.
Number of contracts	29,112	28,200	27,500
Total cost (in millions)	\$35	\$35	\$40

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

**All Volunteer Force educational assistance (Montgomery GI Bill).**—Public Law 98-525, enacted October 19, 1984, established two new peacetime educational programs: an assistance program for veterans who enter active duty during the period beginning July 1, 1985; and an assistance program for certain members of the Selected Reserve. The Readjustment benefits appropriation pays the basic benefit allowance for the peacetime veterans, except for certain Post-Vietnam Era Veterans Education participants who transferred to the Montgomery GI Bill program. Supplementary educational assistance and the basic benefit allowance for peacetime veterans, Post-Viet-

**General and special funds—Continued**

**READJUSTMENT BENEFITS—Continued**

nam Era Veterans Education converters, and reservists are financed by payments from the Department of Defense and the Department of Transportation.

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

**CASELOAD AND AVERAGE COST DATA**

	1998 actual	1999 est.	2000 est.
<b>Veterans:</b>			
Number of trainees .....	296,791	289,000	281,000
Average cost per trainee .....	\$2,679	\$3,131	\$3,189
Total cost (in millions) .....	\$795 <sup>1</sup>	\$905 <sup>2</sup>	\$896 <sup>3</sup>
<b>Reservists:</b>			
Number of trainees .....	75,219	74,200	73,000
Average cost per trainee .....	\$1,156	\$1,427	\$1,479
Total cost (in millions) .....	\$87	\$106	\$108

<sup>1</sup>Includes \$710 million of basic benefits (VA funded), \$9 million of basic benefits (DOD funded), and \$76 million of supplemental benefits (DOD funded).

<sup>2</sup>Includes \$817 million of basic benefits (VA funded), \$8 million of basic benefits, (DOD funded) and \$80 million of supplemental benefits (DOD funded).

<sup>3</sup>Includes \$812 million of basic benefits (VA funded), \$6 million of basic benefits (DOD funded) and \$78 million of supplemental benefits (DOD funded).

**Object Classification (in millions of dollars)**

Identification code 36-0137-0-1-702	1998 actual	1999 est.	2000 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	1,314	1,449	1,469
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....	172	194	192
99.9 Total new obligations .....	1,486	1,643	1,661

**REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS UNDER PUBLIC LAW 97-377**

**Program and Financing (in millions of dollars)**

Identification code 36-0200-0-1-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Return of Overpayment .....	4		
01.00 Total Direct Program .....	4		
09.01 Reimbursables .....	14	16	15
09.02 Reimbursables .....	1	1	1
09.99 Total reimbursable program .....	15	17	16
10.00 Total new obligations .....	19	17	16
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	25	17	16
23.95 Total new obligations .....	-19	-17	-16
23.98 Unobligated balance expiring .....	-4		
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	25	17	16
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	15	1	
73.10 Total new obligations .....	19	17	16
73.20 Total outlays (gross) .....	-34	-17	-16
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	1		
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	19	17	16
86.98 Outlays from permanent balances .....	15		
87.00 Total outlays (gross) .....	34	17	16

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-25	-17	-16

**Net budget authority and outlays:**

89.00 Budget authority .....			
90.00 Outlays .....	9		

In accordance with Public Law 97-377, this program restores social security benefits to certain surviving spouses or children of veterans who died of service-connected causes. Financing is provided in the form of offsetting collections from the Department of Defense.

**CASELOAD AND AVERAGE COST DATA**

	1998 actual	1999 est.	2000 est.
Spouses .....	336	302	250
Average benefit .....	\$9,954	\$10,760	\$11,126
Obligations (in millions) .....	\$3	\$3	\$3
Children .....	1,275	1,190	1,060
Average benefit .....	\$9,021	\$11,583	\$11,885
Obligations (in millions) .....	\$12	\$14	\$13

**Object Classification (in millions of dollars)**

Identification code 36-0200-0-1-701	1998 actual	1999 est.	2000 est.
44.0 Direct obligations: Refunds .....	4		
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....	15	17	16
99.9 Total new obligations .....	19	17	16

**VETERANS INSURANCE AND INDEMNITIES**

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, [ \$46,450,000 ] \$28,670,000, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

**Program and Financing (in millions of dollars)**

Identification code 36-0120-0-1-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
<b>Operating expenses:</b>			
00.04 Payment to national service life insurance fund	2	6	2
00.05 Payment to service-disabled veterans insurance fund .....	44	36	20
00.06 Total operating expenses .....	7	8	8
10.00 Total new obligations .....	53	50	30
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	2	2	
22.00 New budget authority (gross) .....	53	48	31
23.90 Total budgetary resources available for obligation	55	50	31
23.95 Total new obligations .....	-53	-50	-30
24.40 Unobligated balance available, end of year .....	2		
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation .....	51	46	29
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	2
70.00 Total new budget authority (gross) .....	53	48	31
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	53	50	30
73.20 Total outlays (gross) .....	-53	-48	-29
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	51	46	27
86.97 Outlays from new permanent authority .....	2	2	2
87.00 Total outlays (gross) .....	53	48	29

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: VMLI premiums	-2	-2	-2
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	53	46	29
90.00	Outlays	51	48	29

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

**Military and naval insurance.**—Payments are made to the U.S. Government life insurance fund for certain World War I veterans for extra hazards of military service and for claims on war risk insurance issued to servicemen and veterans of World War I.

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

Payments are also made to policyholders and beneficiaries on nonparticipating national service life insurance policies issued to World War II veterans with service-connected disabilities.

**Veterans mortgage life insurance (VMLI).**—Payments are made to mortgage holders under this program which provides mortgage protection life insurance to veterans who have received a grant for specially adapted housing due to severe disabilities.

The general decline in the number of policies and the amount of insurance in force is expected to continue in 2000 as indicated in the following table.

**POLICIES AND INSURANCE IN FORCE**

	1998 actual	1999 est.	2000 est.
<b>National service life insurance policies:</b>			
Number of policies	1,246	(1)	(1)
Amount of insurance (dollars in millions)	\$6		
<b>VMLI policies:</b>			
Number of policies	3,702	3,582	3,472
Amount of insurance (dollars in millions)	\$232	\$233	\$235

<sup>1</sup> In 1999, these payments and the associated policies will be transferred to the NSLI Fund.

**Payment to service-disabled veterans insurance fund.**—Payments are made to the service-disabled veterans insurance fund to supplement the premiums and other receipts of the fund in amounts necessary to pay claims on insurance policies issued to veterans with service-connected disabilities.

**Object Classification (in millions of dollars)**

Identification code 36-0120-0-1-701	1998 actual	1999 est.	2000 est.
41.0 Grants, subsidies, and contributions	45	41	22
42.0 Insurance claims and indemnities	8	9	8
99.9 Total new obligations	53	50	30

**Public enterprise funds:**

**SERVICE-DISABLED VETERANS INSURANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 36-4012-0-3-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Capital investment	12	14	14
09.01 Death claims	43	47	49
09.01 All other	11	12	13
10.00 Total new obligations	66	73	76
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year	6	24	24

22.00	New budget authority (gross)	83	73	58
23.90	Total budgetary resources available for obligation	89	97	82
23.95	Total new obligations	-66	-73	-76
24.40	Unobligated balance available, end of year	24	24	5

<b>New budget authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)	83	73	58

<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	6	7	5
73.10	Total new obligations	66	73	76
73.20	Total outlays (gross)	-64	-75	-76
74.40	Unpaid obligations, end of year: Obligated balance, end of year	7	5	6

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority	58	68	58
86.98	Outlays from permanent balances	6	7	18
87.00	Total outlays (gross)	64	75	76

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Payments from VI and I	-45	-36	-20
Non-Federal sources:				
88.40	Interest on loans	-3	-3	-3
88.40	Insurance premiums earned	-24	-23	-25
88.40	Repayments of loans	-11	-11	-10
88.90	Total, offsetting collections (cash)	-83	-73	-58

<b>Net budget authority and outlays:</b>				
89.00	Budget authority			
90.00	Outlays	-19	2	18

This fund finances the payment of claims on nonparticipating life insurance policies issued and currently is open for new issues to veterans having service-connected disabilities. The program provides insurance coverage for service-disabled veterans at standard rates. Administrative expenses are paid from the General operating expenses appropriation.

**Operating costs—**

**Death claims.**—Represents payments to designated beneficiaries.

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

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

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

**POLICIES AND INSURANCE IN FORCE**

	1998 actual	1999 est.	2000 est.
Number of policies	156,745	153,095	149,145
Insurance in force (dollars in millions)	\$1,452	\$1,425	\$1,392

**Financing.**—Operations are financed from premiums and other receipts. Additional funds are received by transfer from the veterans' insurance and indemnities appropriation, instead of direct appropriations to this fund.

**Operating results and financial condition.**—Since premium and other receipts are insufficient to cover operations, the fund continues to project liabilities in excess of assets. The deficit is expected to reach an estimated \$439 million by September 30, 2000.

**Object Classification (in millions of dollars)**

Identification code 36-4012-0-3-701	1998 actual	1999 est.	2000 est.
33.0 Investments and loans	11	14	14
42.0 Insurance claims and indemnities	55	59	62
99.9 Total new obligations	66	73	76

**Public enterprise funds—Continued**

**VETERANS REOPENED INSURANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 36-4010-0-3-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Death claims .....	35	39	39
09.01 Dividends .....	26	25	23
09.01 All other .....	8	8	8
09.01 Capital investment: policy loans .....	6	7	7
10.00 Total new obligations .....	75	79	77
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	484	476	461
22.00 New budget authority (gross) .....	67	63	59
23.90 Total budgetary resources available for obligation .....	551	539	520
23.95 Total new obligations .....	-75	-79	-77
24.40 Unobligated balance available, end of year .....	476	461	443
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	67	63	59
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	38	41	43
73.10 Total new obligations .....	75	79	76
73.20 Total outlays (gross) .....	-73	-76	-74
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	41	43	46
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	43	35	31
86.98 Outlays from permanent balances .....	30	41	43
87.00 Total outlays (gross) .....	73	76	74
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: interest on U.S. securities .....	-45	-41	-37
Non-Federal sources:			
88.40 Interest on loans .....	-2	-1	-2
88.40 Insurance premiums earned .....	-14	-15	-14
88.40 Repayments of loans .....	-6	-6	-6
88.90 Total, offsetting collections (cash) .....	-67	-63	-59
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	6	13	15
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: U.S. securities: Par value .....	521	516	493
92.02 Total investments, end of year: U.S. securities: Par value .....	516	503	488

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

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

**Budget program—**

**Death claims.**—Represents payments to designated beneficiaries.

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

**All other.**—This represents payments to the General operating expenses account for the administrative costs of processing claims and maintaining the accounts, and to those

policyholders who: (a) surrender their policies for cash value; (b) hold endowment policies which have matured; and (c) have purchased total disability income coverage and subsequently become disabled.

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

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

**POLICIES AND INSURANCE IN FORCE**

	1998 actual	1999 est.	2000 est.
Number of policies .....	87,590	82,250	76,740
Insurance in force (dollars in millions) .....	\$701	\$661	\$616

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

**Object Classification (in millions of dollars)**

Identification code 36-4010-0-3-701	1998 actual	1999 est.	2000 est.
33.0 Investments and loans .....	6	7	7
42.0 Insurance claims and indemnities .....	39	43	44
43.0 Interest and dividends .....	30	29	26
99.9 Total new obligations .....	75	79	77

**SERVICEMEMBERS' GROUP LIFE INSURANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 36-4009-0-3-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Premium payments .....	433	412	406
09.01 Payment to GOE account .....	1	1	1
10.00 Total obligations (object class 41.0) .....	434	413	407
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	1	1	1
22.00 New budget authority (gross) .....	434	413	407
23.90 Total budgetary resources available for obligation .....	435	414	408
23.95 Total new obligations .....	-434	-413	-407
24.40 Unobligated balance available, end of year .....	1	1	1
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	434	413	407
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	4	4	5
73.10 Total new obligations .....	434	413	407
73.20 Total outlays (gross) .....	-434	-413	-407
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	4	5	5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	430	409	402
86.98 Outlays from permanent balances .....	4	4	5
87.00 Total outlays (gross) .....	434	413	407
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay .....			
88.40	-434	-413	-407
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: U.S. securities: Par value .....	4	4	1

92.02	Total investments, end of year: U.S. securities: Par value .....	4	1	1
-------	--	---	---	---

**Budget program.**—This fund finances the payment of group life insurance premiums to private insurance companies under the Servicemembers' Group Life Insurance Act of 1965, as amended.

**Credit accounts:**

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year [1999] 2000, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: [*Provided further*, That during 1999 any moneys that would be otherwise deposited into or paid from the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund shall be deposited into or paid from the Veterans Housing Benefit Program Fund: *Provided further*, That any balances in the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund on the effective date of this Act may be transferred to and merged with the Veterans Housing Benefit Program Fund].

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [\$159,121,000] \$156,958,000, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Unavailable Collections (in millions of dollars)

Identification code 36-1119-0-1-704	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99 Balance, start of year .....	867	862	997
Receipts:			
02.01 Downward reestimate of subsidies, guaranteed loans .....	206		
02.02 Downward reestimate of subsidies, guaranteed loans .....		324	
02.03 Downward reestimate of subsidies, direct loans .....		111	
02.99 Total receipts .....	206	435	
04.00 Total: Balances and collections .....	1,073	1,297	997
Appropriation:			
05.01 Veterans Housing Benefit Program .....	-211	-300	-282
07.99 Total balance, end of year .....	862	997	715

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
00.01 Direct loan subsidy .....	16	150	70
00.02 Guaranteed loan subsidy .....	195	150	212
00.05 Upward reestimates of direct loan subsidy .....	376	74	
00.06 Interest on reestimates of the direct loan subsidy .....	89	15	
00.07 Upward reestimates of guaranteed loan subsidy .....	212	314	
00.08 Interest on reestimates of the guaranteed loan subsidy .....	32	44	
00.09 Administrative expenses .....	160	159	157
10.00 Total obligations .....	1,080	906	439

Budgetary resources available for obligation:

22.00 New budget authority (gross) .....	1,080	905	439
23.95 Total new obligations .....	-1,080	-906	-439

New budget authority (gross), detail:

Current:			
40.00 Appropriation (definite) .....	160	159	157
40.25 Appropriation (special fund, indefinite) .....	211	300	282
43.00 Appropriation (total) .....	371	459	439

Permanent:			
60.05 Appropriation (indefinite) .....	709	446	
70.00 Total new budget authority (gross) .....	1,080	905	439
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....		1	
73.10 Total new obligations .....	1,080	906	439
73.20 Total outlays (gross) .....	-1,079	-907	-439
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....		1	
Outlays (gross), detail:			
86.90 Outlays from new current authority .....	371	459	439
86.93 Outlays from current balances .....		1	
86.97 Outlays from new permanent authority .....	709	446	
87.00 Total outlays (gross) .....	1,079	907	439
Net budget authority and outlays:			
89.00 Budget authority .....	1,080	905	439
90.00 Outlays .....	1,079	907	439

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

Identification code 36-1119-0-1-704	1998 actual	1999 est.	2000 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels .....	1,339	1,947	648
1159 Total direct loan levels .....	1,339	1,947	648
Direct loan subsidy (in percent):			
1320 Subsidy rate .....	1.20	7.71	10.79
1329 Weighted average subsidy rate .....	1.20	7.71	10.79
Direct loan subsidy budget authority:			
1330 Subsidy budget authority .....	481	239	70
1339 Total subsidy budget authority .....	481	239	70
Direct loan subsidy outlays:			
1340 Subsidy outlays .....	481	239	70
1349 Total subsidy outlays .....	481	239	70
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels .....	39,862	32,634	31,237
2159 Total loan guarantee levels .....	39,862	32,634	31,237
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate .....	0.49	0.46	0.68
2329 Weighted average subsidy rate .....	0.49	0.46	0.68
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority .....	439	508	212
2339 Total subsidy budget authority .....	439	508	212
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays .....	439	508	212
2349 Total subsidy outlays .....	439	508	212
Administrative expense data:			
3510 Budget authority .....	160	159	157
3590 Outlays from new authority .....	159	159	157

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

The Federal guaranty for this program protects lenders against the following types of losses: (a) for loans of \$45,000, or less, 50 percent of the loan is guaranteed; (b) for loans greater than \$45,000, but not more than \$56,250, \$22,500; (c) for loans more than \$56,250 but less than \$144,000, the

**Credit accounts—Continued**

**VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

lesser of \$36,000 or 40 percent of the loan; or (d) for loans greater than \$144,000, the lesser of \$50,750 or 25 percent of the loan.

**Object Classification (in millions of dollars)**

Identification code 36-1119-0-1-704	1998 actual	1999 est.	2000 est.
25.3 Purchases of goods and services from Government accounts	160	159	157
41.0 Grants, subsidies, and contributions	920	747	282
99.9 Total new obligations	1,080	906	439

The Administration is proposing legislation that would permanently extend three provisions of the Balanced Budget Act of 1997 due to expire in 2002: (1) the loan origination fee increase of .75 percent; (2) the three-percent fee for multiple home loans with less than five percent down; and (3) the current law on resale losses on loans.

The 2000 Budget outsources the property management function by the end of 2000. It also includes \$5 million to fund career transition activities related to this initiative.

**VETERANS HOUSING BENEFIT PROGRAM FUND DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 36-4127-0-3-704	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans	1,339	1,947	648
00.02 Interest on Treasury borrowing	232	86	86
00.03 Property sales expense	1	2	2
00.04 Property management/other expense	1	1	1
00.05 Property improvement expense	1	2	2
00.06 Reserve for losses on loan sales	40	75	79
00.91 Direct Program by Activities—Subtotal (1 level)	1,614	2,113	818
08.02 Payment of downward reestimate to receipt account		83	
08.03 Payment of excess interest earned to receipt account		28	
08.91 Direct Program by Activities—Subtotal (1 level)		111	
10.00 Total obligations	1,614	2,224	818
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)	1,614	2,225	817
23.95 Total new obligations	-1,614	-2,224	-818
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite)	752	1,908	578
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1,880	2,099	1,165
68.47 Portion applied to debt reduction	-1,018	-1,782	-926
68.90 Spending authority from offsetting collections (total)	862	317	239
70.00 Total new financing authority (gross)	1,614	2,225	817
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	-77	-7	-9
73.10 Total new obligations	1,614	2,224	818
73.20 Total financing disbursements (gross)	-1,544	-2,226	-812
74.40 Unpaid obligations, end of year: Obligated balance, end of year	-7	-9	-3
87.00 Total financing disbursements (gross)	1,544	2,226	812
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources: Payments from program account	-481	-239	-70

88.25 Interest on uninvested funds	-106		
Non-Federal sources:			
Non-Federal sources:			
88.40 Repayments of principal	-45	-55	-54
88.40 Interest received on loans	-61	-126	-124
88.40 Fees	-24	-40	-11
88.40 Loan sale proceeds, net	-1,147	-1,517	-844
88.40 Cash sale of properties	-3	-85	-47
88.40 Other revenue	-13	-37	-15
88.90 Total, offsetting collections (cash)	-1,880	-2,099	-1,165

<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	-266	126	-348
90.00 Financing disbursements	-336	127	-353

**Status of Direct Loans (in millions of dollars)**

Identification code 36-4127-0-3-704	1998 actual	1999 est.	2000 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	1,339	1,947	648
1150 Total direct loan obligations	1,339	1,947	648
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	992	1,122	1,449
1231 Disbursements: Direct loan disbursements	1,339	1,947	648
<b>Repayments:</b>			
1251 Repayments and prepayments	-101	-54	-54
1253 Proceeds from loan asset sales to the public with recourse	-1,118	-1,517	-844
<b>Adjustments:</b>			
1261 Capitalized interest	48		
1262 Discount on loan asset sales to the public or discounted	-29	-47	-47
<b>Write-offs for default:</b>			
1263 Direct loans	-2	-2	-3
1264 Other adjustments, net	-7		
1290 Outstanding, end of year	1,122	1,449	1,149

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

**Balance Sheet (in millions of dollars)**

Identification code 36-4127-0-3-704	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury	2,463	878	1,134	899
Investments in US securities:				
1106 Receivables, net		93	120	95
1206 Non-Federal assets: Receivables, net	160	26	34	27
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, net	992	874	1,358	1,058
1403 Accounts receivable from foreclosed property	106			
1404 Foreclosed property	9			
1499 Net present value of assets related to direct loans	1,107	874	1,358	1,058
1901 Other Federal assets: Other assets		5	6	4
1999 Total assets	3,730	1,876	2,652	2,083
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2102 Interest payable	5			
2104 Resources payable to Treasury	1,768	1,870	2,645	2,077
<b>Non-Federal liabilities:</b>				
2201 Accounts payable	7	1	1	1
2204 Liabilities for loan guarantees	-1	5	6	5
2999 Total liabilities	1,779	1,876	2,652	2,083
4999 Total liabilities and net position	1,779	1,876	2,652	2,083

**VETERANS HOUSING BENEFIT PROGRAM FUND GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 36-4129-0-3-704	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Acquisition of homes .....	1,466	1,970	2,198
00.02 Losses on defaulted loans .....	501	439	475
00.03 Property sales expense .....	67	122	137
00.04 Property management expense .....	47	42	45
00.05 Property improvement expense .....	50	38	43
00.06 Loans acquired .....	107	96	101
00.91 Direct Program by Activities—Subtotal (1 level)	2,238	2,707	2,999
08.02 Payment of downward reestimate to receipt account	172	198	.....
08.03 Payment of excess interest to receipt account .....	34	126	.....
08.91 Direct Program by Activities—Subtotal (1 level)	206	324	.....
10.00 Total obligations .....	2,444	3,031	2,999
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	3,316	3,480	3,232
22.00 New financing authority (gross) .....	2,607	2,784	2,819
23.90 Total budgetary resources available for obligation	5,923	6,264	6,051
23.95 Total new obligations .....	-2,444	-3,031	-2,999
24.40 Unobligated balance available, end of year .....	3,480	3,232	3,052
<b>New financing authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	2,607	2,784	2,819
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	-165	139	144
73.10 Total new obligations .....	2,444	3,031	2,999
73.20 Total financing disbursements (gross) .....	-2,140	-3,026	-2,998
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	139	144	146
87.00 Total financing disbursements (gross) .....	2,140	3,026	2,998
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account .....	-439	-508	-212
88.00 Recoveries from DLFA .....	-1,005	-1,519	-503
88.25 Interest on uninvested funds .....	-236	-178	-169
Non-Federal sources:			
88.40 Funding fees .....	-579	-603	-555
88.40 Cash sale of properties .....	-329	-318	-1,361
88.40 Other collections .....	-19	-16	-19
88.90 Total, offsetting collections (cash) .....	-2,607	-3,142	-2,819
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	-358	.....	.....
90.00 Financing disbursements .....	-467	-116	179

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 36-4129-0-3-704	1998 actual	1999 est.	2000 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2111 Limitation on guaranteed loans made by private lenders .....	.....	.....	.....
2131 Guaranteed loan commitments exempt from limitation	39,862	32,635	31,237
2150 Total guaranteed loan commitments .....	39,862	32,635	31,237
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	146,575	176,777	196,637
2231 Disbursements of new guaranteed loans .....	39,862	32,635	31,237
2232 Guarantees of loans sold to the public with recourse	1,118	820	1,074
2251 Repayments and prepayments .....	-8,810	-10,625	-11,819
<b>Adjustments:</b>			
2261 Terminations for default that result in loans receivable .....	-107	-439	-475
2262 Terminations for default that result in acquisition of property .....	-1,466	-1,970	-2,199

2263 Terminations for default that result in claim payments .....	-502	-561	-629
2264 Other adjustments, net .....	107	.....	.....
2290 Outstanding, end of year .....	176,777	196,637	213,826
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	102,869	75,739	82,542
<b>Addendum:</b>			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	103	156	142
2331 Disbursements for guaranteed loan claims .....	546	439	475
2351 Repayments of loans receivable .....	-8	-12	-11
2361 Write-offs of loans receivable .....	-485	-441	-458
2390 Outstanding, end of year .....	156	142	148

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

**Balance Sheet (in millions of dollars)**

Identification code 36-4129-0-3-704	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	3,151	3,618	3,099	2,920
Investments in US securities:				
1106 Receivables, net .....	.....	358	.....	.....
1206 Non-Federal assets: Receivables, net .....	244	.....	.....	.....
1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross .....	.....	1,154	1,956	2,204
Other Federal assets:				
1801 Cash and other monetary assets .....	102	.....	.....	.....
1803 Property, plant and equipment, net .....	718	.....	.....	.....
1901 Other assets .....	.....	38	64	72
1999 Total assets .....	4,215	5,168	5,119	5,196
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	.....	24	23	24
2105 Other .....	.....	324	.....	.....
Non-Federal liabilities:				
2201 Accounts payable .....	.....	115	56	61
2204 Liabilities for loan guarantees .....	4,215	4,705	5,040	5,111
2207 Other .....	.....	.....	.....	.....
2999 Total liabilities .....	4,215	5,168	5,119	5,196
<b>NET POSITION:</b>				
3200 Invested capital .....	.....	.....	.....	.....
3999 Total net position .....	.....	.....	.....	.....
4999 Total liabilities and net position .....	4,215	5,168	5,119	5,196

**VETERANS HOUSING BENEFIT PROGRAM FUND LIQUIDATING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 36-4025-0-3-704	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Capital investments:			
00.01 Acquisition of homes .....	335	326	272
00.02 Property improvements .....	23	29	24
00.03 Cash advances .....	-20	-15	-11
00.04 Acquisition of defaulted guaranteed loans .....	26	59	57
00.91 Total capital investments .....	364	399	342
01.00 Total capital investments .....	364	399	342
Operating expenses:			
01.02 Property management expense .....	25	31	30
01.03 Sales expense .....	28	35	34

## Credit accounts—Continued

VETERANS HOUSING BENEFIT PROGRAM FUND LIQUIDATING  
ACCOUNT—Continued

## Program and Financing (in millions of dollars)—Continued

Identification code 36-4025-0-3-704		1998 actual	1999 est.	2000 est.
01.04	Claims processed .....	146	128	107
01.05	Other expenses .....	16	21	19
01.91	Total operating expenses .....	215	215	190
10.00	Total obligations (object class 33.0) .....	579	614	532
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	57	41	
22.00	New budget authority (gross) .....	872	621	560
22.40	Capital transfer to general fund .....	-309	-48	-28
23.90	Total budgetary resources available for obligation .....	620	614	532
23.95	Total new obligations .....	-579	-614	-532
24.40	Unobligated balance available, end of year .....	41		
<b>New budget authority (gross), detail:</b>				
Current:				
40.00	Appropriation .....	270		
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	602	621	560
70.00	Total new budget authority (gross) .....	872	621	560
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	42	57	55
73.10	Total new obligations .....	579	614	532
73.20	Total outlays (gross) .....	-564	-617	-539
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	57	55	47
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	602	614	532
86.98	Outlays from permanent balances .....	-38	3	7
87.00	Total outlays (gross) .....	564	617	539
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Payments from direct loan financing account .....	-323	-428	-145
Non-Federal sources:				
Non-Federal sources:				
88.40	Loan and other repayments .....	-65	-39	-31
88.40	Sale of homes, cash .....	-107	-94	-336
88.40	Interest on loans .....	-56	-34	-26
88.40	Collection of claims (veteran indebtedness) .....	-52	-34	-29
88.40	Other revenue .....	1	8	7
88.90	Total, offsetting collections (cash) .....	-602	-621	-560
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	270		
90.00	Outlays .....	-39	-4	-21

## Status of Direct Loans (in millions of dollars)

Identification code 36-4025-0-3-704		1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	420	326	217
1231	Disbursements: Direct loan disbursements .....			
Repayments:				
1251	Repayments and prepayments .....	-47	-37	-29
1253	Proceeds from loan asset sales to the public with recourse .....	-9	-7	-6
1261	Adjustments: Capitalized interest .....	21		
Write-offs for default:				
1263	Direct loans .....	-47	-47	-21
1264	Other adjustments, net .....	-12	-18	
1290	Outstanding, end of year .....	326	217	161

## Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4025-0-3-704		1998 actual	1999 est.	2000 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	23,896	23,408	22,954
2232	Guarantees of loans sold to the public with recourse .....	9		
2251	Repayments and prepayments .....			
Adjustments:				
2262	Terminations for default that result in acquisition of property .....	-335	-326	-272
2263	Terminations for default that result in claim payments .....	-134	-128	-107
2264	Other adjustments, net .....	-28		
2290	Outstanding, end of year .....	23,408	22,954	22,575
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	12,035	11,801	11,607
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	665	620	588
2331	Disbursements for guaranteed loan claims .....	121	103	88
2351	Repayments of loans receivable .....	-84	-35	-29
2361	Write-offs of loans receivable .....	-82	-100	-86
2390	Outstanding, end of year .....	620	588	561

## Statement of Operations (in millions of dollars)

Identification code 36-4025-0-3-704		1997 actual	1998 actual	1999 est.	2000 est.
0101	Revenue .....	571	469	375	300
0102	Expense .....	-514	-552	-442	-353
0109	Net income or loss (-) .....	57	-83	-67	-53

## Balance Sheet (in millions of dollars)

Identification code 36-4025-0-3-704		1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	99	98	48	28
Investments in US securities:					
1106	Investments .....		9	4	3
Non-Federal assets:					
1201	Investments in non-Federal securities, net .....		239	214	193
1206	Accounts Receivable, net .....		1	1	1
1207	Advances and prepayments .....	12			
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....		529	437	602
1403	Credit program receivables and related foreclosed property, net .....	377			
1499	Net present value of assets related to direct loans .....	377	529	437	602
Other Federal assets:					
1803	Property, plant and equipment, investments .....	539			
1901	Other assets .....	4			
1999	Total assets .....	1,031	876	704	827
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	73	1	1	1
2105	Federal liabilities: Other .....		810	648	781
Non-Federal liabilities:					
2201	Accounts payable .....		67	57	47
2207	Other .....	115	-2	-2	-2
2999	Total liabilities .....	188	876	704	827
<b>NET POSITION:</b>					
3200	Invested capital .....	917	779	662	563
3300	Cumulative results of operations .....	-74	-779	-662	-563
3999	Total net position .....	843			
4999	Total liabilities and net position .....	1,031	876	704	827

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Govern-

ment resulting from direct loans obligated prior to 1992. All new activity in this program in 1992 and beyond is recorded in the corresponding program and financing accounts.

MISCELLANEOUS VETERANS HOUSING LOANS PROGRAM ACCOUNT  
NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, **[\$515,000] \$520,000**, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 36-0128-0-1-704	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....			2
00.02 Guaranteed loan subsidy .....			3
00.09 Administrative expenses .....	1	1	1
10.00 Total obligations .....	1	1	6
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	3	3	2
22.00 New budget authority (gross) .....	1	1	4
23.90 Total budgetary resources available for obligation .....	4	4	6
23.95 Total new obligations .....	-1	-1	-6
24.40 Unobligated balance available, end of year .....	3	2	1
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation (definite) .....	1	1	1
Permanent:			
60.00 Appropriation .....			3
70.00 Total new budget authority (gross) .....	1	1	4
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	1	1	6
73.20 Total outlays (gross) .....	-1	-1	-6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	1	1
86.93 Outlays from current balances .....			1
86.97 Outlays from new permanent authority .....			3
87.00 Total outlays (gross) .....	1	1	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	4
90.00 Outlays .....	1	1	6

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

Identification code 36-0128-0-1-704	1998 actual	1999 est.	2000 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Direct loan levels .....	3	11	21
1159 Total direct loan levels .....	3	11	21
<b>Direct loan subsidy (in percent):</b>			
1320 Subsidy rate .....	7.72	7.72	7.72
1329 Weighted average subsidy rate .....	7.72	7.72	7.72
<b>Direct loan subsidy budget authority:</b>			
1330 Subsidy budget authority .....			
1339 Total subsidy budget authority .....			
<b>Direct loan subsidy outlays:</b>			
1340 Subsidy outlays .....			1
1349 Total subsidy outlays .....			1

<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 Loan guarantee levels .....			7
2159 Total loan guarantee levels .....			7
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Subsidy rate .....	0.00	0.00	48.25
2329 Weighted average subsidy rate .....	0.00	0.00	48.25
<b>Guaranteed loan subsidy budget authority:</b>			
2330 Subsidy budget authority .....			3
2339 Total subsidy budget authority .....			3
<b>Guaranteed loan subsidy outlays:</b>			
2340 Subsidy outlays .....			3
2349 Total subsidy outlays .....			3
<b>Administrative expense data:</b>			
3510 Budget authority .....	1	1	1
3590 Outlays from new authority .....	1	1	1

All information from the Native American Veterans Housing Loan Program and the Transitional Housing Loans for Homeless Veterans Program is consolidated in a single housing fund called the Miscellaneous Veterans Housing Loans Fund.

The Native American Veterans Housing Loan Program provides direct loans to veterans living on trust lands under 38 U.S.C. chapter 37, section 3761. These loans are available to purchase, construct or improve homes to be occupied as the veteran's residence. The principal amount of a loan under this authority is generally limited to \$80,000, except in areas where housing costs are significantly higher than average costs nationwide. This is a pilot program that began in 1993 and is authorized through December 31, 2001.

Public Law 105-368, the "Veterans Benefits Improvement Act of 1998," established a pilot program for VA to guarantee up to 15 loans, of which not more than five could be made in the first three years of the program, for multifamily transitional housing projects for homeless veterans. The projects guaranteed must provide supportive services and counseling as well as housing.

The Guaranteed Transitional Housing Loans for Homeless Veterans Program Account reflects appropriations for the payment of subsidies to the Guaranteed Transitional Housing Loans for Homeless Veterans Guaranteed Loan Financing Account.

As required by the Federal Credit Reform Act of 1990, this account records, for these programs, the subsidy costs associated with the direct loans obligated and the guaranteed loans made in 1992 and beyond, as well as the administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 36-0128-0-1-704	1998 actual	1999 est.	2000 est.
25.3 Purchases of goods and services from Government accounts .....	1	1	1
41.0 Grants, subsidies, and contributions .....			5
99.9 Total new obligations .....	1	1	6

MISCELLANEOUS VETERANS HOUSING LOANS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4130-0-3-704	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	3	11	21
00.02 Interest on Treasury borrowing .....	1	1	2

**Credit accounts—Continued**

**MISCELLANEOUS VETERANS HOUSING LOANS DIRECT LOAN  
FINANCING ACCOUNT—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 36-4130-0-3-704	1998 actual	1999 est.	2000 est.
10.00 Total new obligations .....	4	12	23
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	4	12	23
23.95 Total new obligations .....	-4	-12	-23
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	3	10	20
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2	3	5
68.47 Portion applied to debt reduction .....	-1	-1	-2
68.90 Spending authority from offsetting collections (total) .....	1	2	3
70.00 Total new financing authority (gross) .....	4	12	23
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	-1		-2
73.10 Total new obligations .....	4	12	23
73.20 Total financing disbursements (gross) .....	-3	-13	-25
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....		-2	-3
87.00 Total financing disbursements (gross) .....	3	13	25
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account .....		-1	-2
Non-Federal sources:			
88.40 Repayment of principal .....	-1		
88.40 Interest received on loans .....	-1	-2	-3
88.40 Other revenue .....			
88.90 Total, offsetting collections (cash) .....	-2	-3	-5
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	2	9	18
90.00 Financing disbursements .....	1	10	20

**Status of Direct Loans (in millions of dollars)**

Identification code 36-4130-0-3-704	1998 actual	1999 est.	2000 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1131 Direct loan obligations exempt from limitation .....	3	11	22
1150 Total direct loan obligations .....	3	11	22
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	14	16	26
1231 Disbursements: Direct loan disbursements .....	3	10	22
1251 Repayments: Repayments and prepayments .....	-1		-1
1290 Outstanding, end of year .....	16	26	47

**Balance Sheet (in millions of dollars)**

Identification code 36-4130-0-3-704	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....		1	1	2
Investments in US securities:				
1106 Receivables, net .....	9			
1206 Non-Federal assets: Receivables, net .....	1			
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	13	14	24	43
1499 Net present value of assets related to direct loans .....	13	14	24	43

1504 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Foreclosed property .....		1		1
1901 Other Federal assets: Other assets .....		-1		
1999 Total assets .....	23	15	25	46
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....		15	25	46
2201 Non-Federal liabilities: Accounts payable .....	23			
2999 Total liabilities .....	23	15	25	46
4999 Total liabilities and net position .....	23	15	25	46

This account contains all the information on the Native American Veterans Housing Loan account.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligation in 1992 and beyond. The amounts in the account are means of financing and are not included in the budget totals.

**MISCELLANEOUS VETERANS HOUSING LOANS GUARANTEED LOAN  
FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 36-4258-0-3-704	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Capital investment:			
00.01 Other program costs .....			
10.00 Total new obligations .....			
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....			3
23.95 Total new obligations .....			
<b>New financing authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			3
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			
73.20 Total financing disbursements (gross) .....			
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Sources: Payments from Program Account .....			-3
88.25 Interest on uninvested funds .....			
88.45 Other collections .....			
88.90 Total, offsetting collections (cash) .....			-3
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....			-3

**Status of Guaranteed Loans (in millions of dollars)**

Identification code 36-4258-0-3-704	1998 actual	1999 est.	2000 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2131 Guaranteed loan commitments exempt from limitation .....			7
2150 Total guaranteed loan commitments .....			7
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			7
2231 Disbursements of new guaranteed loans .....			
2290 Outstanding, end of year .....			7

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	7
------	--	---

Addendum:

2310	Cumulative balance of defaulted guaranteed loans that result in loans receivable: Outstanding, start of year .....	
2390	Outstanding, end of year .....	

Balance Sheet (in millions of dollars)

Identification code 36-4258-0-3-704	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury .....			1
1901	Other Federal assets: Other assets .....			
1999	Total assets .....			1
<b>LIABILITIES:</b>				
Federal liabilities:				
2101	Accounts payable .....			1
2105	Other .....			
2207	Non-Federal liabilities: Other .....			
2999	Total liabilities .....			1
<b>NET POSITION:</b>				
3200	Invested capital .....			
3999	Total net position .....			
4999	Total liabilities and net position .....			1

This account contains all the information on the Transitional Housing for Homeless Veterans Guaranteed Loan account.

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

MISCELLANEOUS VETERANS PROGRAMS LOAN FUND PROGRAM ACCOUNT

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, **[\$55,000] \$57,000**, as authorized by 38 U.S.C. chapter 31, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed **[\$2,401,000] \$2,531,000**.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$400,000] \$415,000**, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

EDUCATION LOAN FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, **\$1,000**, as authorized by 38 U.S.C. 3698, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed **\$3,000**.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$206,000] \$214,000**, which may be transferred to and merged with the appropriation for "Gen-

eral operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 36-0140-0-1-702	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
00.09	Administrative expenses .....	1	1	1
10.00	Total new obligations (object class 25.3) .....	1	1	1
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	1	1	1
23.95	Total new obligations .....	-1	-1	-1
<b>New budget authority (gross), detail:</b>				
40.00	Appropriation .....	1	1	1
<b>Change in unpaid obligations:</b>				
73.10	Total new obligations .....	1	1	1
73.20	Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	1	1	1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1	1	1
90.00	Outlays .....	1	1	1

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

Identification code 36-0140-0-1-702	1998 actual	1999 est.	2000 est.	
Direct loan levels supportable by subsidy budget authority:				
1150	Direct loan levels, vocational rehabilitation .....	2	2	3
1159	Total direct loan levels .....	2	2	3
Direct loan subsidy (in percent):				
1320	Voc. Rehab. Loan subsidy rate .....	1.74	1.94	2.27
1320	Education Loan subsidy rate .....	42.94	34.11	32.75
1329	Weighted average subsidy rate .....	44.68	36.05	35.02
Direct loan subsidy budget authority:				
1330	Subsidy budget authority, vocational rehabilitation .....			
1339	Total subsidy budget authority .....			
Direct loan subsidy outlays:				
1349	Total subsidy outlays .....			
Administrative expense data:				
3510	Budget authority .....	1	1	1
3590	Outlays .....	1	1	1

All information from the Vocational Rehabilitation Loan Program and Education Loan Fund is consolidated in a single housing fund called the Miscellaneous Veterans Programs Loan Fund.

The Vocational Rehabilitation Loan Fund provides loans of up to \$827 (based on indexed Chapter 31 Subsistence allowance rate) to veterans enrolled in a program of vocational rehabilitation who are temporarily in need of additional funds to meet their expenses.

The Education Loan program provides loans of up to \$2,500 to dependents of veterans who are eligible for training benefits under chapter 35, title 38, U.S.C. and who are without sufficient funds to meet their education related expenses.

As required by the Federal Credit Reform Act of 1990, this account records, for these programs, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as the administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Credit accounts—Continued**

**MISCELLANEOUS VETERANS PROGRAMS LOAN FUND DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in millions of dollars)**

Identification code 36-4259-0-3-702	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	2	2	3
10.00 Total new obligations .....	2	2	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....			
22.00 New financing authority (gross) .....	2	2	3
22.60 Redemption of debt .....	-2	-2	-3
23.90 Total budgetary resources available for obligation .....			
23.95 Total new obligations .....	-2	-2	-3
24.40 Unobligated balance available, end of year .....			
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	2	2	2
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	-2	-2	-3
68.47 Portion applied to debt reduction .....	2	2	4
68.90 Spending authority from offsetting collections (total) .....			1
70.00 Total new financing authority (gross) .....	2	2	3
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....	2	2	3
73.20 Total financing disbursements (gross) .....	-2	-2	-3
87.00 Total financing disbursements (gross) .....	2	2	3
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Non-Federal sources .....			
88.40 Interest on loans .....	2	2	3
88.90 Total, offsetting collections (cash) .....	2	2	3
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	4	4	6
90.00 Financing disbursements .....		4	6

**Status of Direct Loans (in millions of dollars)**

Identification code 36-4259-0-3-702	1998 actual	1999 est.	2000 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1131 Direct loan obligations exempt from limitation .....	2	2	3
1150 Total direct loan obligations .....	2	2	3
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....			
1231 Disbursements: Direct loan disbursements .....	2	2	2
1251 Repayments: Repayments and prepayments .....	-2	-2	-2
1290 Outstanding, end of year .....			

**Balance Sheet (in millions of dollars)**

Identification code 36-4259-0-3-702	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
Investments in US securities:				
1106 Federal assets: Receivables, net .....		-1	-1	-1
1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross .....		1	1	1
1999 Total assets .....				

This account contains all information on the Vocational Rehabilitation Loan Program and Education Loan Fund.

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

**MISCELLANEOUS VETERANS PROGRAMS LOAN FUND LIQUIDATING ACCOUNT**

**Status of Direct Loans (in millions of dollars)**

Identification code 36-4260-0-3-702	1998 actual	1999 est.	2000 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1	1	1
1263 Write-offs for default: Direct loans .....			
1290 Outstanding, end of year .....	1	1	1

**Balance Sheet (in millions of dollars)**

Identification code 36-4260-0-3-702	1997 actual	1998 actual	1999 est.	2000 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	1			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	1			
1603 Allowance for estimated uncollectible loans and interest (-) .....				
1604 Direct loans and interest receivable, net .....	1			
1699 Value of assets related to direct loans .....	1			
1999 Total assets .....	2			
<b>NET POSITION:</b>				
3100 Appropriated capital .....				
3300 Cumulative results of operations .....	1			
3999 Total net position .....	1			
4999 Total liabilities and net position .....	1			

This account contains all information on the Vocational Rehabilitation Loan Program and Education Loan Fund on loans prior to 1992.

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

**WORKLOAD, AMOUNT LOANED AND REPAID**

	1998 actual	1999 est.	2000 est.
Number of loans outstanding .....	4,926	5,008	4,858
Average amount per loan outstanding .....	\$539	\$544	\$561

**Trust Funds**

**POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT**

**Unavailable Collections (in millions of dollars)**

Identification code 36-8133-0-7-702	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99 Balance, start of year .....	64	65	65
Receipts:			
02.01 Deductions from military pay .....	3	2	1
02.02 Contributions .....	36		2
02.99 Total receipts .....	39	2	3

04.00	Total: Balances and collections .....	103	67	68
Appropriation:				
05.01	Post-Vietnam era veterans education account .....	-38	-2	-3
05.99	Subtotal appropriation .....	-38	-2	-3
07.99	Total balance, end of year .....	65	65	65

**Program and Financing (in millions of dollars)**

Identification code 36-8133-0-7-702	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
00.01	Payment to post-Vietnam era trainees .....	9	8	5
00.03	Participant disenrollments .....	29	29	30
10.00	Total new obligations .....	38	37	35
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	119	120	85
22.00	New budget authority (gross) .....	38	2	3
23.90	Total budgetary resources available for obligation .....	157	122	88
23.95	Total new obligations .....	-38	-37	-35
24.40	Unobligated balance available, end of year .....	120	85	54
<b>New budget authority (gross), detail:</b>				
60.27	Appropriation (trust fund, indefinite) .....	67	4	4
60.45	Portion precluded from obligation .....	-29	-2	-1
63.00	Appropriation (total) .....	38	2	3

<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	5	3	2
73.10	Total new obligations .....	38	37	35
73.20	Total outlays (gross) .....	-39	-39	-35
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	3	2	2

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	38	2	3
86.98	Outlays from permanent balances .....	1	37	32
87.00	Total outlays (gross) .....	39	39	35

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	38	2	3
90.00	Outlays .....	39	39	35

This account consists of voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense. The fund provides educational assistance payments to participants who entered the service after December 31, 1976, and are pursuing training under chapter 32, title 38, U.S.C. Section 901 is a non-contributory program with educational assistance provided by the Department of Defense. Public Law 99-576, enacted October 28, 1986, closed the program permanently for new enrollments effective March 31, 1987. The estimated activity in the fund follows:

**CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES**

	[In millions of dollars]		
	1998 actual	1999 est.	2000 est.
Total budget authority .....	\$17	\$12	\$9
Servicepersons .....	\$3	\$3	\$2
Transferred from Department of Defense (bonus) .....	\$8	\$4	\$3
Transferred from Department of Defense (matching) .....	\$5	\$5	\$4
Transferred from Department of Defense (Section 901) .....	\$1		
Transferred from Department of Defense (Section 903) .....	\$4		
Total participants (end of year) .....	250,483	221,956	192,056
Total contributors (end of year) .....	2,798	2,168	1,302
Average contribution per contributor (actual dollars) .....	\$1,138	\$1,100	\$1,100
Number of disenrollments .....			
Total refunds .....	\$29	\$31	\$30
Total trainees .....			
Total trainee cost .....	\$16	\$7	\$4
Average cost per trainee (actual dollars) .....	\$1,639	\$1,683	\$1,705
Section 901 trainees .....			
Section 901 trainee cost .....	\$1		

**Object Classification (in millions of dollars)**

Identification code 36-8133-0-7-702	1998 actual	1999 est.	2000 est.	
41.0	Grants, subsidies, and contributions .....	9	8	5
44.0	Refunds .....	29	29	30
99.9	Total new obligations .....	38	37	35

**NATIONAL SERVICE LIFE INSURANCE FUND**

**Unavailable Collections (in millions of dollars)**

Identification code 36-8132-0-7-701	1998 actual	1999 est.	2000 est.	
Balance, start of year:				
01.99	Balance, start of year .....			
Receipts:				
02.01	Premium and other receipts .....	217	207	196
02.02	Interest .....	977	909	853
02.03	Payments from general and special funds .....	2	6	2
02.99	Total receipts .....	1,196	1,122	1,051
Appropriation:				
05.01	National Service Life Insurance fund .....	-1,196	-1,122	-1,050
07.99	Total balance, end of year .....			

**Program and Financing (in millions of dollars)**

Identification code 36-8132-0-7-701	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
Direct:				
Operating expenses:				
00.01	Death claims .....	581	590	604
00.02	Disability claims .....	17	17	16
00.03	Matured endowments .....	10	13	12
00.04	Cash surrenders .....	25	26	25
00.05	Dividends .....	476	452	413
00.06	Interest paid on dividend credits and deposits .....	60	55	55
00.07	Payment to general operating expenses .....	21	23	20
00.91	Total operating expenses .....	1,190	1,177	1,146
02.01	Capital investment: Policy loans .....	116	122	121
02.93	Total direct obligations .....	1,306	1,298	1,266
09.01	Death claims .....	259	274	293
09.01	Disability claims .....	8	8	8
09.01	Matured endowments .....	5	6	6
09.01	Cash surrenders .....	11	12	12
09.01	Dividends .....	213	210	200
09.01	Interest paid on dividend credits and deposits .....	27	26	26
09.01	Payment to general operating expenses .....	9	11	10
09.09	Reimbursable program—subtotal line .....	532	547	555
10.00	Total new obligations .....	1,838	1,845	1,821

<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	10,783	10,675	10,474
22.00	New budget authority (gross) .....	1,730	1,643	1,560
23.90	Total budgetary resources available for obligation .....	12,513	12,318	12,034
23.95	Total new obligations .....	-1,838	-1,845	-1,821
24.40	Unobligated balance available, end of year .....	10,675	10,474	10,211

<b>New budget authority (gross), detail:</b>				
60.27	Appropriation (trust fund, indefinite) .....	1,196	1,122	1,050
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	535	521	509
70.00	Total new budget authority (gross) .....	1,731	1,643	1,559

<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	1,250	1,343	1,405
73.10	Total new obligations .....	1,838	1,845	1,821
73.20	Total outlays (gross) .....	-1,745	-1,783	-1,782
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	1,343	1,405	1,444

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	495	440	377
86.98	Outlays from permanent balances .....	1,250	1,343	1,405

NATIONAL SERVICE LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8132-0-7-701	1998 actual	1999 est.	2000 est.
87.00 Total outlays (gross) .....	1,745	1,783	1,782
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments of loans .....	-131	-129	-128
88.40 Optional settlements .....	-4	-4	-4
88.40 Net income offsets adjustments .....	-400	-388	-377
88.90 Total, offsetting collections (cash) .....	-535	-521	-509
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,196	1,122	1,050
90.00 Outlays .....	1,210	1,262	1,273
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: U.S. securities: Par value .....	12,023	12,008	11,874
92.02 Total investments, end of year: U.S. securities: Par value .....	12,008	11,874	11,651

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

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

POLICIES AND INSURANCE IN FORCE

	1998 actual	1999 est.	2000 est.
Number of policies .....	1,906,825	1,794,802	1,677,552
Insurance in force (dollars in millions) .....	\$18,264	\$1,614	\$16,894

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

Assets of the fund, which are largely invested in special interest-bearing Treasury securities and in policy loans, are expected to decrease from \$12,851 million as of September 30, 1999 to \$12,611 million as of September 30, 2000. The actuarial estimate of policy obligations as of September 30, 2000, total \$12,553 million, leaving a balance of \$58 million for contingency reserves.

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

Status of Funds (in millions of dollars)

Identification code 36-8132-0-7-701	1998 actual	1999 est.	2000 est.
Unexpended balance, start of year:			
0100 Uninvested balance [unavailable collections] .....	10	10	5
0101 U.S. Securities: Par value .....	12,023	12,008	11,874
0199 Total balance, start of year .....	12,033	12,018	11,879
Cash income during the year:			
Proprietary receipts:			
0220 NSLI fund, premium and other receipts .....	217	207	196
Intragovernmental transactions:			
0240 NSLI fund, interest .....	977	909	853
0241 NSLI fund, payments from general and special funds .....	2	6	2
0242 Intragovernmental transactions .....			
Offsetting collections:			
0289 Offsetting collections .....	535	521	509
0297 Income under present law .....	1,731	1,643	1,560
0298 Income under proposed legislation .....			
0299 Total cash income .....	1,731	1,643	1,560

Cash outgo during year:			
0500 National service life insurance fund .....	-1,745	-1,783	-1,782
Unexpended balance, end of year:			
0700 Uninvested balance .....	10	5	5
0701 U.S. Securities: Par value .....	12,008	11,874	11,651
0799 Total balance, end of year .....	12,018	11,879	11,656

Object Classification (in millions of dollars)

Identification code 36-8132-0-7-701	1998 actual	1999 est.	2000 est.
Direct obligations:			
33.0 Investments and loans .....	116	122	121
42.0 Insurance claims and indemnities .....	631	646	657
43.0 Interest and dividends .....	559	530	488
99.0 Subtotal, direct obligations .....	1,306	1,298	1,266
99.0 Reimbursable obligations .....	532	547	555
99.9 Total new obligations .....	1,838	1,845	1,821

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8150-0-7-701	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99 Balance, start of year .....			
Receipts:			
02.01 Interest and profits on investments in public debt securities .....	6	6	5
Appropriation:			
05.01 United States government life insurance fund .....	-6	-6	-5
07.99 Total balance, end of year .....			

Program and Financing (in millions of dollars)

Identification code 36-8150-0-7-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
00.01 Death claims .....	7	6	6
00.02 Cash surrenders .....	1		
00.05 Dividends .....	4	4	4
00.06 Interest paid on dividend credits and deposits .....	1	1	1
10.00 Total new obligations .....	13	11	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	72	66	61
22.00 New budget authority (gross) .....	7	7	6
23.90 Total budgetary resources available for obligation .....	79	73	67
23.95 Total new obligations .....	-13	-11	-11
24.40 Unobligated balance available, end of year .....	66	61	55
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite) .....	6	6	5
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	7	7	6
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	20	19	18
73.10 Total new obligations .....	13	11	11
73.20 Total outlays (gross) .....	-13	-14	-12
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	19	18	18
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	1	1	1
86.98 Outlays from permanent balances .....	12	13	11
87.00 Total outlays (gross) .....	13	14	12
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Repayments of loans .....	-1	-1	-1

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	7	7	5
90.00	Outlays .....	12	14	12
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: U.S. securities: Par value .....	92	85	79
92.02	Total investments, end of year: U.S. securities: Par value .....	86	79	73

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

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

**POLICIES AND INSURANCE IN FORCE**

	1998 actual	1999 est.	2000 est.
Number of policies .....	19,660	18,062	16,504
Insurance in force (dollars in millions) .....	\$65	\$59	\$54

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

Assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decrease from \$84 million as of September 30, 1999, to \$78 million as of September 30, 2000, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2000, totals \$77 million, leaving a balance of \$1 million for contingency reserves.

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

**Status of Funds (in millions of dollars)**

Identification code 36-8150-0-7-701	1998 actual	1999 est.	2000 est.
<b>Unexpended balance, start of year:</b>			
0101 U.S. Securities: Par value .....	92	85	79
<b>Cash income during the year:</b>			
<b>Intragovernmental transactions:</b>			
0240 Interest and profits on investments in public debt securities, USGLI, VA .....	6	6	5
<b>Offsetting collections:</b>			
0289 Offsetting Collections .....	1	1	1
0299 Total cash income .....	7	7	6
<b>Cash outgo during year:</b>			
0500 United States government life insurance fund .....	-13	-14	-12
<b>Unexpended balance, end of year:</b>			
0701 U.S. Securities: Par value .....	86	79	73

**Object Classification (in millions of dollars)**

Identification code 36-8150-0-7-701	1998 actual	1999 est.	2000 est.
42.0 Insurance claims and indemnities .....	8	7	7
43.0 Interest and dividends .....	5	4	4
99.9 Total new obligations .....	13	11	11

**VETERANS SPECIAL LIFE INSURANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 36-8455-0-8-701	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Death claims .....	48	54	58
09.01 Cash surrenders .....	5	6	7
09.01 Dividends .....	105	105	100
09.01 All other .....	62	54	37
09.01 Payment to general operating expenses account .....	5	5	5

09.02	Capital investment .....	21	24	23
10.00	Total new obligations .....	246	248	230
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	1,425	1,420	1,408
22.00	New budget authority (gross) .....	240	236	233
23.90	Total budgetary resources available for obligation .....	1,665	1,656	1,641
23.95	Total new obligations .....	-246	-248	-230
24.40	Unobligated balance available, end of year .....	1,420	1,408	1,410

<b>New budget authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash) .....	240	236	233

<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	187	210	231
73.10	Total new obligations .....	246	248	230
73.20	Total outlays (gross) .....	-222	-227	-217
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	210	231	244

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	35	16	12
86.98	Outlays from permanent balances .....	187	211	206
87.00	Total outlays (gross) .....	222	227	217

<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Interest on loans .....	-6	-7	-7
88.40	Insurance premiums earned .....	-67	-66	-65
88.40	Optional settlements .....	-2	-2	-3
88.40	Repayments of loans .....	-19	-20	-21
88.45	Offsetting governmental collections .....	-146	-141	-137
88.90	Total, offsetting collections (cash) .....	-240	-236	-233

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-18	-9	-15

<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: U.S. securities: Par value .....	1,610	1,630	1,640
92.02	Total investments, end of year: U.S. securities: Par value .....	1,628	1,640	1,655

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

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

**Budget program—**

**Death claims.**—Represents payments to designated beneficiaries.

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

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

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

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

**POLICIES AND INSURANCE IN FORCE**

	1998 actual	1999 est.	2000 est.
Number of policies .....	240,394	233,274	226,474
Insurance in force (dollars in millions) .....	\$3	\$3	\$3

VETERANS SPECIAL LIFE INSURANCE FUND—Continued

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

**Operating results and financial condition.**—Favorable mortality experience on insurance written against this fund has kept death claim payments well below the amount of premium and interest receipts, thereby producing an annual increase in the total revenue of the fund. Excess earnings of the fund are now distributed to the policyholders in the form of an annual dividend.

Object Classification (in millions of dollars)

Identification code 36-8455-0-8-701	1998 actual	1999 est.	2000 est.
33.0 Investments and loans .....	21	23	23
42.0 Insurance claims and indemnities .....	102	100	88
43.0 Interest and dividends .....	123	125	119
99.9 Total new obligations .....	246	248	230

**CONSTRUCTION**

**Federal Funds**

**General and special funds:**

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$4,000,000 or more or where funds for a project were made available in a previous major project appropriation, **[\$142,300,000] \$60,140,000**, to remain available until expended: *Provided*, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year **[1999] 2000**, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, **[1999] 2000**; and (2) by the awarding of a construction contract by September 30, **[2000] 2001**: *Provided further*, That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: *Provided further*, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only: *[Provided further*, That not to exceed \$125,000 may be transferred to the Pershing Hall Revolving Fund, codified at section 493(d) of title 36, United States Code: *Provided further*, That during fiscal year 1999, or in subsequent fiscal years, the "Construction, major projects" account shall be reimbursed, in the amount transferred, from other funds as they become part of the Pershing Hall Revolving Fund]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Replacement and modernization .....	14	74	7
00.02 Nursing home care .....	1	1	1
00.06 Other improvements .....	128	196	187
00.07 National cemeteries .....	66	23	29

00.08 Replacement or renovation of regional offices .....	2		
09.01 Reimbursable Program (Joint Project with State of TN.) .....	14	3	1
10.00 Total new obligations .....	225	297	225

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year .....	588	592	437
22.00 New budget authority (gross) .....	228	142	60
23.90 Total budgetary resources available for obligation .....	816	734	497
23.95 Total new obligations .....	-225	-297	-225
24.40 Unobligated balance available, end of year .....	592	437	272

**New budget authority (gross), detail:**

<b>Current:</b>			
40.00 Appropriation .....	178	142	60
<b>Permanent:</b>			
65.00 Advance appropriation (definite) .....	32		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	18		
70.00 Total new budget authority (gross) .....	228	142	60

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	479	378	466
73.10 Total new obligations .....	225	297	225
73.20 Total outlays (gross) .....	-325	-209	-184
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	378	466	507

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	9	6	3
86.93 Outlays from current balances .....	316	186	165
86.98 Outlays from permanent balances .....		17	16
87.00 Total outlays (gross) .....	325	209	184

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-18		

**Net budget authority and outlays:**

89.00 Budget authority .....	210	142	60
90.00 Outlays .....	307	209	184

Funds are requested for a clinical improvement project at Kansas City, MO, a spinal cord injury and rehabilitation project at Tampa, FL, a patient environment project at Murfreesburo, TN, and a facility right sizing and development project at Leavenworth, KS.

Additional funds are provided to remove asbestos from Department-owned buildings and to support advanced planning and design activities.

Budget Authority by Program Activity

[In millions of dollars]

	1998 actual	1999 est.	2000 est.
Replacement and modernization .....	35		
Research and Education .....			
Outpatient and improvements .....	47	46	31
Seismic corrections .....		73	
Patient environment .....	46	10	13
General .....	14	12	5
Other departments .....	37	21	12
Advance appropriation provided under P.L. 104-204 .....	32		
Design fund offset .....	-1	-2	-1
Reprogramming .....		-18	
Total budget authority .....	210	142	60

Object Classification (in millions of dollars)

Identification code 36-0110-0-1-703	1998 actual	1999 est.	2000 est.
<b>Direct obligations:</b>			
11.3 Personnel compensation: Other than full-time permanent .....	1	1	1
25.2 Other services .....	24	32	25
26.0 Supplies and materials .....	2	2	2

31.0	Equipment .....	-2	3	3
32.0	Land and structures .....	186	256	193
99.0	Subtotal, direct obligations .....	211	294	224
99.0	Reimbursable obligations .....	14	3	1
99.9	Total new obligations .....	225	297	225

Personnel Summary

Identification code 36-0110-0-1-703	1998 actual	1999 est.	2000 est.
1001 Total compensable workyears: Full-time equivalent employment .....	26	50	50

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than \$4,000,000, \$175,000,000, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than \$4,000,000: *Provided*, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 36-0111-0-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Medical programs .....	163	157	153
00.06 National cemeteries .....	13	23	15
00.07 Computer centers, additions and alterations .....	6	8	3
00.08 Replacement or renovation of regional offices .....	7	9	6
10.00 Total new obligations .....	189	197	177
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	67	53	31
22.00 New budget authority (gross) .....	175	175	175
23.90 Total budgetary resources available for obligation .....	242	228	206
23.95 Total new obligations .....	-189	-197	-177
24.40 Unobligated balance available, end of year .....	53	31	27
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	175	175	175
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	190	223	244
73.10 Total new obligations .....	189	197	177
73.20 Total outlays (gross) .....	-155	-176	-175
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	223	244	246
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	45	46	46
86.93 Outlays from current balances .....	110	131	130
87.00 Total outlays (gross) .....	155	176	175
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	175	175	175
90.00 Outlays .....	156	176	175

The Construction, Minor Projects appropriation, which funds construction projects costing less than \$4 million, is used to reduce risks to patient life and safety, correct code deficiencies, improve ambulatory care settings, and improve national cemeteries.

Object Classification (in millions of dollars)

Identification code 36-0111-0-1-703	1998 actual	1999 est.	2000 est.
11.3 Personnel compensation: Other than full-time permanent .....	4	5	4
25.2 Other services .....	37	35	32
26.0 Supplies and materials .....	1	2	1
32.0 Land and structures .....	147	155	140
99.9 Total new obligations .....	189	197	177

Personnel Summary

Identification code 36-0111-0-1-703	1998 actual	1999 est.	2000 est.
1001 Total compensable workyears: Full-time equivalent employment .....	57	80	80

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131-8137, **[\$90,000,000]** \$40,000,000, to remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Grants to States .....	90	90	40
10.00 Total obligations (object class 41.0) .....	90	90	40
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	10		
22.00 New budget authority (gross) .....	80	90	40
23.90 Total budgetary resources available for obligation .....	90	90	40
23.95 Total new obligations .....	-90	-90	-40
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	80	90	40
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	120	155	193
73.10 Total new obligations .....	90	90	40
73.20 Total outlays (gross) .....	-50	-52	-64
73.40 Adjustments in expired accounts .....	-6		
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	155	193	169
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	50	52	64
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	80	90	40
90.00 Outlays .....	49	52	64

In 1999, the Department plans to obligate \$90 million to assist ten States to acquire or construct State home facilities for furnishing domiciliary or nursing home care to veterans and expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans.

**General and special funds—Continued**

**GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES**

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, [\$10,000,000] \$11,000,000, to remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing (in millions of dollars)**

Identification code 36-0183-0-1-705	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Grants to States .....	6	14	11
10.00 Total obligations (object class 41.0) .....	6	14	11
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....		4	
22.00 New budget authority (gross) .....	10	10	11
23.90 Total budgetary resources available for obligation .....	10	14	11
23.95 Total new obligations .....	-6	-14	-11
24.40 Unobligated balance available, end of year .....	4		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	10	10	11
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	13	16	25
73.10 Total new obligations .....	6	14	11
73.20 Total outlays (gross) .....	-3	-5	-8
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	16	25	27
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	3	5	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	10	10	11
90.00 Outlays .....	3	5	8

This program enables the Department to assist States in establishing, expanding, or improving State-operated veterans cemeteries.

**CAPITAL ASSET FUND**

For the administrative start-up costs of the Capital Asset Fund, subject to enactment of authorizing legislation, \$10,000,000, to remain available until five years from the date of enactment, at which time any unobligated funds shall be transferred to and merged with the Construction, Minor Projects account.

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 36-5459-2-2-705	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Capital Asset Fund .....			6
10.00 Total new obligations .....			6
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			10
23.95 Total new obligations .....			-6
24.40 Unobligated balance available, end of year .....			3
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			10
<b>Change in unpaid obligations:</b>			
73.10 Total new obligations .....			6
73.20 Total outlays (gross) .....			-3
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....			3

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			10
90.00 Outlays .....			3

This legislative proposal would authorize the establishment of a new five-year pilot that would allow the VA to sell, transfer, or exchange its excess properties, retain ninety percent of the proceeds, and reinvest those proceeds in other non-recurring capital needs to benefit veterans. This pilot would also direct ten percent of the net proceeds to supplement continuum of care homeless projects in local areas.

A legislative proposal to authorize this program will be transmitted with the FY 2000 budget. The Administration also requests \$10 million in appropriation to fund the administrative start-up costs of this new activity. The Administration estimates collections from the sale of surplus properties to be \$18 million annually from 2001 to 2004. Total collections under this pilot are estimated at \$72 million.

**Object Classification (in millions of dollars)**

Identification code 36-5459-2-2-705	1998 actual	1999 est.	2000 est.
25.2 Other services .....			3
32.0 Land and structures .....			3
99.9 Total new obligations .....			6

**Public enterprise funds:**

**PARKING REVOLVING FUND**

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

**Program and Financing (in millions of dollars)**

Identification code 36-4538-0-3-703	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
00.01 Operating expenses: parking leases .....	2	3	1
09.01 Capital investment: parking construction program .....	2	26	4
10.00 Total new obligations .....	4	29	5
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	31	30	4
22.00 New budget authority (gross) .....	3	3	3
23.90 Total budgetary resources available for obligation .....	34	33	7
23.95 Total new obligations .....	-4	-29	-5
24.40 Unobligated balance available, end of year .....	30	4	2
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	3	3	3
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance, start of year .....	20	12	31
73.10 Total new obligations .....	4	29	5
73.20 Total outlays (gross) .....	-12	-10	-7
74.40 Unpaid obligations, end of year: Obligated balance, end of year .....	12	31	29
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	9	7	4
86.97 Outlays from new permanent authority .....	3	3	3
86.98 Outlays from permanent balances .....			1
87.00 Total outlays (gross) .....	12	10	7

Offsets:  
Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources .....	-3	-3	-3
-------	---	----	----	----

Net budget authority and outlays:

89.00	Budget authority .....			
90.00	Outlays .....	9	7	4

The Parking Revolving Fund provides funding for the construction and lease of parking facilities at various medical centers.

Object Classification (in millions of dollars)

Identification code 36-4538-0-3-703	1998 actual	1999 est.	2000 est.	
23.2	Direct obligations: Rental payments to others .....	2	3	1
32.0	Reimbursable obligations: Land and structures .....	2	26	4
99.9	Total new obligations .....	4	29	5

PERSHING HALL REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4018-0-3-705	1998 actual	1999 est.	2000 est.	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year .....	1	1	1
24.40	Unobligated balance available, end of year .....	1	1	1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....			

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

To facilitate account restructuring and consolidation, the Pershing Hall Revolving Fund also reflects budget information for the Nursing Home Revolving Fund and Grants to the Republic of the Philippines. The Nursing Home Revolving Fund provides for the construction, alteration, and acquisition (including site acquisition) of nursing home facilities and is available only as provided in appropriations acts. The Grants to the Republic of the Philippines previously provided for the effective care and treatment of U.S. veterans in the Veterans Memorial Medical Center (VMMC). However, with the suspension of U.S. veteran admission to the VMMC, the continuing appropriation of U.S. funds to maintain and upgrade the physical plant at this facility was discontinued.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed **[\$25,000]** \$35,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, **[\$855,661,000]** \$912,353,000: *Provided*, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
Direct program:				
Veterans benefits:				
00.04	Compensation and pensions .....	462	509	560
00.05	Education .....	65	71	65
00.06	Vocational rehabilitation and counseling .....	67	72	78
00.09	Insurance <sup>1</sup> .....	3	3	3
00.11	General administration .....	190	228	206
09.01	Administration of housing credit programs .....	161	159	157
09.02	Administration of other credit programs .....	1	1	1
09.03	Administration of insurance programs .....	35	39	37
09.04	Other reimbursable programs .....	105	128	148
09.99	Total reimbursable program .....	302	327	343
10.00	Total new obligations .....	1,089	1,210	1,255
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	1,089	1,210	1,255
23.95	Total new obligations .....	-1,089	-1,210	-1,255
<b>New budget authority (gross), detail:</b>				
Current:				
40.00	Appropriation .....	787	856	912
42.00	Transferred from other accounts .....		27	
43.00	Appropriation (total) .....	787	883	912
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	302	327	343
70.00	Total new budget authority (gross) .....	1,089	1,210	1,255
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	138	136	88
73.10	Total new obligations .....	1,089	1,210	1,255
73.20	Total outlays (gross) .....	-1,088	-1,258	-1,253
73.40	Adjustments in expired accounts .....	-3		
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	136	88	91
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	676	795	821
86.93	Outlays from current balances .....	108	136	88
86.97	Outlays from new permanent authority .....	300	327	343
86.98	Outlays from permanent balances .....	4		
87.00	Total outlays (gross) .....	1,088	1,258	1,253
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-302	-327	-343
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	787	883	912
90.00	Outlays .....	786	931	910

<sup>1</sup> The total cost of administering veterans insurance programs is funded through direct appropriations to this account, and through reimbursements from the insurance trust fund.

This appropriation provides for the administration of non-medical veterans benefits through the Veterans Benefits Administration (VBA) and the Department's top management direction and administrative support, including data processing, fiscal, personnel, and legal services. The 2000 budget assumes an increase of more than 10% in FTE devoted to claims adjudication, which is accomplished by redirecting resources away from obsolete information technology and the property management function in Loan Guarantee. All Year 2000 computer conversion efforts are fully funded.

**Veterans benefits.**—Determines eligibility and adjudicates all claims for compensation, pensions, educational assistance, housing loan assistance, and insurance awards. A summary of VBA's program objectives and anticipated workload is included in the following paragraphs. Workload data for this program is shown below. Specific performance goals relating to the processing of veterans benefits are contained in VA's annual performance plan.

GENERAL OPERATING EXPENSES—Continued

**Compensation and pensions.**—Provides timely and efficient processing of claims for veterans and dependents relating to compensation and pension benefits under the various laws enacted by Congress.

WORKLOAD

[Claims completed in thousands]

	1998 actual	1999 projected	2000 projected
Compensation:			
Rating-Related Actions <sup>1</sup>	537	537	540
Non Rating Actions <sup>2</sup>	281	278	277
Pension:			
Rating-Related Actions <sup>1</sup>	126	125	125
Non Rating Actions <sup>2</sup>	649	649	651

<sup>1</sup> Rating related actions include original compensation claims (EP 010/110), original DIC claims (EP 140), original pensions claims (EP 180), reopened compensation claims (EP 020), reopened pension claims (EP 120), routine examinations (EP 310), and reviews due to hospitalizations (EP 320).

<sup>2</sup> Non Rating actions include dependency issues (EP 130), income issues (EP 150), IVM (EP 154), EVR (EP 155, burial/plot claims (EP 160), claims for accrued benefits (EP 165), original death pension claims (EP 190), and special eligibility determinations (EP 290).

**Education.**—Provides timely and efficient processing of claims for veterans and dependents relating to education benefits under the various laws enacted by Congress.

WORKLOAD

[In thousands]

	1998 actual	1999 est.	2000 est.
Education:			
Original claims	145	143	136
Adjustments/supplemental claims	917	906	917

**Loan guaranty.**—Facilitates the extension of private capital, on more liberal terms than generally available to non-veterans, to assist veterans and servicepersons in obtaining housing credits; provide grants to aid permanently and totally disabled veterans in acquiring specially adapted housing; and assist veterans in retaining their homes during periods of temporary economic difficulty through intensive supplemental mortgage loan servicing.

WORKLOAD

[In thousands]

	1998 actual	1999 est.	2000 est.
Loan guaranty:			
Construction and valuation	396	356	320
Loan processing	882	795	715
Loan service and claims	259	274	290
Property management	57	60	63

**Vocational rehabilitation and counseling.**—Provides counseling and assistance to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, obtain and maintain suitable employment.

WORKLOAD

[In thousands]

	1998 actual	1999 est.	2000 est.
Vocational rehabilitation and counseling:			
Evaluation and planning	49	48	46
Rehabilitation services	53	51	50
Employment services status	10	11	11
Vocational/educational counseling	13	13	13

**Insurance.**—Provides life insurance protection for servicepersons and veterans. The VA administers six life insurance programs and supervises two others through a contractual agreement with a commercial company.

WORKLOAD

[In thousands]

	1998 actual	1999 est.	2000 est.
Insurance:			
Policy service actions	1,229	1,221	1,189
Collections	3,390	3,206	3,016

Disability claims	15	13	12
Insurance awards	534	1,069	804

**General administration.**—Includes Departmental executive direction and supporting offices, the General Counsel, the Board of Veterans Appeals, and the Board of Contract Appeals.

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-705	1998 actual	1999 est.	2000 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	465	495	523
11.5 Other personnel compensation	10	9	11
11.8 Special personal services payments	1		
11.9 Total personnel compensation	476	504	534
12.1 Civilian personnel benefits	104	108	114
13.0 Benefits for former personnel	10		
Travel and transportation of persons:			
21.0 Employee travel	7	12	14
21.0 Interagency motor pool payments	2	2	1
22.0 Transportation of things	2	3	2
23.1 Rental payments to GSA	68	71	75
23.2 Rental payments to others	6	7	9
23.3 Communications, utilities, and miscellaneous charges	19	50	35
24.0 Printing and reproduction	3	3	4
25.2 Other services	64	92	102
26.0 Supplies and materials	10	8	11
31.0 Equipment	16	23	11
99.0 Subtotal, direct obligations	787	883	912
99.0 Reimbursable obligations	302	327	343
99.9 Total new obligations	1,089	1,210	1,255

Personnel Summary

Identification code 36-0151-0-1-705	1998 actual	1999 est.	2000 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment <sup>1</sup>	10,152	10,318	10,689
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	3,255	3,445	3,350

<sup>1</sup> Reflects FTE treated as reimbursements in all years and the effects of Credit Reform, per P.L. 101-508.

OFFICE OF INSPECTOR GENERAL

[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, [\$36,000,000: *Provided*, That of the amount made available under this heading, not to exceed \$30,000 may be transferred to and merged with the appropriation for "General operating expenses" ] \$43,200,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
00.10 Direct program	31	36	43
09.00 Reimbursable program	2	2	3
10.00 Total new obligations	33	38	46
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	33	38	46
23.95 Total new obligations	-33	-38	-46
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	31	36	43
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	3

70.00	Total new budget authority (gross) .....	33	38	46
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	5	7	8
73.10	Total new obligations .....	33	38	46
73.20	Total outlays (gross) .....	-33	-38	-46
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	7	8	10
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	26	34	41
86.93	Outlays from current balances .....	3	4	2
86.97	Outlays from new permanent authority .....	2	2	3
87.00	Total outlays (gross) .....	33	38	46
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-2	-2	-3
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	31	36	43
90.00	Outlays .....	29	36	43

This appropriation provides Department-wide audit, investigation, and essential inspection and support functions to identify and report weaknesses and deficiencies in VA programs and operations that create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function plans and conducts internal programmatic audits of all facets of VA operations as well as contract audit services for all applicable Department contracts. The investigative function conducts proactive and reactive criminal and administrative investigations of improper and illegal activities involving VA programs, personnel, beneficiaries, and other third parties. The healthcare inspection function performs legislatively mandated medical care quality assurance reviews and oversight. The support function provides normal office administrative support.

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705		1998 actual	1999 est.	2000 est.
<b>Direct obligations:</b>				
11.1	Personnel compensation: Full-time permanent .....	20	24	26
12.1	Civilian personnel benefits .....	5	5	6
21.0	Travel and transportation of persons .....	2	2	2
23.1	Rental payments to GSA .....	2	3	3
25.2	Other services .....	1	2	6
31.0	Equipment .....	1		
99.0	Subtotal, direct obligations .....	31	36	43
99.0	Reimbursable obligations .....	2	2	3
99.9	Total new obligations .....	33	38	46

Personnel Summary

Identification code 36-0170-0-1-705		1998 actual	1999 est.	2000 est.
<b>Direct:</b>				
1001	Total compensable workyears: Full-time equivalent employment .....	302	339	350
<b>Reimbursable:</b>				
2001	Total compensable workyears: Full-time equivalent employment .....	20	23	24

NATIONAL CEMETERY [SYSTEM] Administration  
[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses for the maintenance and operation of the National Cemetery [System] Administration, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of [six] two passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, [\$92,006,000: Provided, That of the amount made available under this heading, not to exceed \$90,000 may be transferred to and merged

with the appropriation for "General operating expenses" ] \$97,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705		1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>				
00.10	Direct obligations .....	84	92	97
10.00	Total new obligations .....	84	92	97
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	84	92	97
23.95	Total new obligations .....	-84	-92	-97
<b>New budget authority (gross), detail:</b>				
40.00	Appropriation .....	84	92	97
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....	10	13	14
73.10	Total new obligations .....	84	92	97
73.20	Total outlays (gross) .....	-81	-91	-97
74.40	Unpaid obligations, end of year: Obligated balance, end of year .....	13	14	14
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	73	83	87
86.93	Outlays from current balances .....	8	8	9
87.00	Total outlays (gross) .....	81	91	97
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	84	92	97
90.00	Outlays .....	81	91	97

Specific performance goals relating to the National Cemetery Administration are contained in VA's annual performance plan.

The mission of the National Cemetery Administration is to honor veterans with a final resting place and lasting memorials that commemorate their service to our Nation. The National Cemetery Administration's vision is to provide a lasting tribute to our national veterans by being mission-driven, results-oriented, and customer-focused. There are four related programs managed by the National Cemetery Administration including: (1) burying eligible veterans and family members in national cemeteries and maintaining the graves and their environs as national shrines; (2) providing aid to States in establishing, expanding, or improving State veteran cemeteries; (3) providing headstones and markers for the graves of eligible persons in national, State, and private cemeteries; and (4) providing presidential memorial certificates to family and friends of deceased veterans, recognizing the veteran's contribution and service to the Nation.

To facilitate account restructuring and consolidation, the National Cemetery Administration also reflects budget information for the National Cemetery Gift Fund. Through this Trust Fund, the Secretary is authorized to accept gifts and bequests which are made for the purpose of beautifying national cemeteries or are determined to be beneficial to such cemeteries, or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona.

Object Classification (in millions of dollars)

Identification code 36-0129-0-1-705		1998 actual	1999 est.	2000 est.
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	39	42	45
11.3	Other than full-time permanent .....	6	7	7
11.9	Total personnel compensation .....	45	49	52
12.1	Civilian personnel benefits .....	13	13	14
21.0	Travel and transportation of persons .....	1	1	1

NATIONAL CEMETERY [SYSTEM] Administration—Continued  
[(INCLUDING TRANSFER OF FUNDS)]—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-0129-0-1-705	1998 actual	1999 est.	2000 est.
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	4	5	6
25.2 Other services .....	8	10	12
26.0 Supplies and materials .....	6	7	7
31.0 Equipment .....	6	6	4
99.9 Total new obligations .....	84	92	97

Personnel Summary

Identification code 36-0129-0-1-705	1998 actual	1999 est.	2000 est.
1001 Total compensable workyears: Full-time equivalent employment .....	1,328	1,369	1,406

Intragovernmental funds:

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.01 Cost of goods sold .....	462	675	701
09.01 Other .....	40	47	49
09.02 Cost of goods sold .....	5	10	10
09.02 Other .....	3	2	2
09.03 Procurement, distribution, and services program: Purchase of equipment .....	17	2	2
10.00 Total new obligations .....	527	736	764
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year .....	83	132	132
22.00 New budget authority (gross) .....	576	736	764
23.90 Total budgetary resources available for obligation .....	659	868	896
23.95 Total new obligations .....	-527	-736	-764
24.40 Unobligated balance available, end of year .....	132	132	132
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	478	736	764
68.10 From Federal sources: Change in receivables and unpaid, unfilled orders .....	98		
68.90 Spending authority from offsetting collections (total) .....	576	736	764
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year .....	33	-32	-32
72.95 From Federal sources: Receivables and unpaid, unfilled orders .....	268	366	366
72.99 Total unpaid obligations, start of year .....	301	334	334
73.10 Total new obligations .....	527	736	764
73.20 Total outlays (gross) .....	-494	-736	-764
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year .....	-32	-32	-33
74.95 From Federal sources: Receivables and unpaid, unfilled orders .....	366	366	366
74.99 Total unpaid obligations, end of year .....	334	334	333
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	494	736	764
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-478	-736	-764
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders .....	-98		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			

90.00 Outlays .....	16
---------------------	----

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1998 actual	1999 est.	2000 est.
Budget Authority .....			
Outlays .....	16		
Legislative proposal, subject to PAYGO:			
Budget Authority .....			
Outlays .....			
Total:			
Budget Authority .....			
Outlays .....	16		

Under the provisions of 38 U.S.C. 8121, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. The Supply Fund is an intragovernmental revolving fund without fiscal year limitations.

**Budget program.**—The fund provides financial support for: (1) a National Acquisition Center or central contracting office; (2) the maintenance of field station inventories; (3) a service and distribution center; (4) a service and reclamation program; (5) a national prosthetics distribution center; and (6) an asset management service.

Costs for the administration of supply activities at VA field stations are not financed by the Supply Fund. These costs are charged directly to applicable appropriations accounts.

**Financing.**—Costs of supplies, equipment, and services acquired through the Supply Fund and Supply Fund operating costs are recovered through reimbursements from the VA appropriations and other Government agencies receiving goods and services. For 2000, Supply Fund sales are estimated to reach \$763 million. Average inventory needed to support those sales will be \$42 million.

**Operating results.**—The Fund operated at a loss of \$11 million in 1998. The new total of retained earnings is \$82 million. Operating expense as related to sales was 11 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	1998 actual	1999 est.	2000 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	18	21	21
11.5 Other personnel compensation .....	1	1	2
11.9 Total personnel compensation .....	19	22	23
12.1 Civilian personnel benefits .....	4	4	4
21.0 Travel and transportation of persons .....	2	4	4
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
24.0 Printing and reproduction .....	6	10	10
25.1 Advisory and assistance services .....	10	13	14
26.0 Supplies and materials .....	268	319	331
31.0 Equipment .....	213	359	373
99.9 Total new obligations .....	527	736	764

Personnel Summary

Identification code 36-4537-0-4-705	1998 actual	1999 est.	2000 est.
2001 Total compensable workyears: Full-time equivalent employment .....	355	380	399

SUPPLY FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-4537-4-4-705	1998 actual	1999 est.	2000 est.
<b>Obligations by program activity:</b>			
09.03 Procurement, distribution, and services program: Purchase of equipment .....			5

10.00	Total new obligations (object class 31.0)	5
<b>Budgetary resources available for obligation:</b>		
22.00	New budget authority (gross)	5
23.95	Total new obligations	-5
<b>New budget authority (gross), detail:</b>		
68.00	Spending authority from offsetting collections (gross):	
	Offsetting collections (cash)	5
<b>Change in unpaid obligations:</b>		
73.10	Total new obligations	5
73.20	Total outlays (gross)	-5
<b>Outlays (gross), detail:</b>		
86.97	Outlays from new permanent authority	5
<b>Offsets:</b>		
Against gross budget authority and outlays:		
88.00	Offsetting collections (cash) from: Federal sources	-5
<b>Net budget authority and outlays:</b>		
89.00	Budget authority	
90.00	Outlays	

In 2000, the budget proposes that VA be given the authority to charge lenders a fee of \$25 for each VA loan that is guaranteed. VA will charge this fee for 4 years, and all fees collected would be earmarked for use in developing, maintaining, and enhancing a VA Loan Information System (VALIS) that would interact with the information systems used by lenders to make VA guaranteed loans. Collections would be deposited into the Supply Fund and be available solely for the VALIS system. VA may collect and spend up to \$15 million on this information system. After September 30, 2005, any unobligated collections would be transferred as miscellaneous receipts to the Treasury.

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	1998 actual	1999 est.	2000 est.	
<b>Obligations by program activity:</b>				
09.01	Reimbursable program	86	96	97
10.00	Total new obligations	86	96	97
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year	5	7	7
22.00	New budget authority (gross)	87	96	97
23.90	Total budgetary resources available for obligation	92	103	104
23.95	Total new obligations	-86	-96	-97
24.40	Unobligated balance available, end of year	7	7	7
<b>New budget authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)	87	96	97
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	8	26	26
73.10	Total new obligations	86	96	97
73.20	Total outlays (gross)	-68	-96	-97
74.40	Unpaid obligations, end of year: Obligated balance, end of year	26	26	26
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority	60	96	97
86.98	Outlays from permanent balances	8		
87.00	Total outlays (gross)	68	96	97
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-87	-96	-97
<b>Net budget authority and outlays:</b>				
89.00	Budget authority			

90.00	Outlays	-19
-------	---------	-----

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Operating Expenses Appropriation. VA's Franchise Fund is a revolving fund used to supply common administrative services on the basis of services supplied. Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$97 million and employ 680 people, who were transferred from their parent organizations.

The Franchise Fund concept is intended to increase competition for government administrative services resulting in lower costs and higher quality.

Object Classification (in millions of dollars)

Identification code 36-4539-0-4-705	1998 actual	1999 est.	2000 est.	
11.1	Personnel compensation: Full-time permanent	29	30	30
12.1	Civilian personnel benefits	6	6	6
21.0	Travel and transportation of persons	1	1	1
22.0	Transportation of things		1	4
23.1	Rental payments to GSA	3	3	3
23.3	Communications, utilities, and miscellaneous charges	12	26	26
25.2	Other services	30	27	23
26.0	Supplies and materials	1	2	1
31.0	Equipment	4		3
99.9	Total new obligations	86	96	97

Personnel Summary

Identification code 36-4539-0-4-705	1998 actual	1999 est.	2000 est.	
2001	Total compensable workyears: Full-time equivalent employment	546	683	680

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1998 actual	1999 est.	2000 est.	
<b>Offsetting receipts from the public:</b>				
36-243100	Fees and other charges for medical services, VA	356		
36-247300	Contributions from military personnel, Veteran's Educational Assistance Act of 1984	164	173	181
General Fund	Offsetting receipts from the public	520	173	181

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year [1999] 2000 for ["Compensation and pensions"], "Compensation", "Pension", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year [1999] 2000 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects", and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901-7904 or 42 U.S.C. 5141-5204), unless reimbursement

ADMINISTRATIVE PROVISIONS—Continued  
(INCLUDING TRANSFER OF FUNDS)—Continued

of cost is made to the "Medical care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year [1999] 2000 for ["Compensation and pensions,"] "Compensation", "Pension", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year [1998] 1999.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year [1999] 2000 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation" [and pensions"].

SEC. 107. Notwithstanding any other provision of law, during fiscal year [1999] 2000, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "General operating expenses" account for the cost of administration of the insurance programs financed through those accounts: *Provided*, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year [1999] 2000, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: *Provided further*, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: *Provided further*, That the Secretary shall determine the cost of administration for fiscal year [1999] 2000, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. [In accordance with section 1557 of title 31, United States Code, the following obligated balances shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure without fiscal year limitation: (1) funds obligated by the Department of Veterans Affairs for lease numbers 084B-05-94, 084B-07-94, and 084B-027-94 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103-124) under the heading "Medical care"; and (2) funds obligated by the Department of Veterans Affairs for lease number 084B-002-96 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103-327) under the heading "Medical care".]

SEC. 108. *Beginning in fiscal year 2000 and thereafter, funds available in any Department of Veterans Affairs appropriation or fund for salaries and expenses shall also be available to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for all services provided by such office at rates which will recover actual costs. Payments may be made in advance for services to be furnished based on estimated costs. Amounts received shall be credited to the General Operating Expenses account for use by the office that provided the service.*

[SEC. 109. (a) The Department of Veterans Affairs medical center in Salisbury, North Carolina, is hereby designated as the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.]

[SEC. 110. LAND CONVEYANCE, RIDGECREST CHILDREN'S CENTER, ALABAMA. (a) CONVEYANCE.—The Secretary of Veterans Affairs may convey, without consideration, to the Board of Trustees of the University of Alabama, all right, title, and interest of the United States in and to the parcel of real property, including any improvements thereon, described in subsection (b).

(b) COVERED PARCEL.—The parcel of real property to be conveyed under subsection (a) is the following: A parcel of property lying in

the northeast quarter of the southwest quarter, section 28, township 21 south, range 9 west, Tuscaloosa County, Alabama, lying along and adjacent to Ridgcrest (Brewer's Porch) Children's Center being more particularly described as follows: As a point of commencement start at the southeast corner of the north half of the southwest quarter run in an easterly direction along an easterly projection of the north boundary of the southeast quarter of the southwest quarter for a distance of 888.52 feet to a point; thence with a deflection angle to the left of 134 degrees 41 minutes run in a northwesterly direction for a distance of 1164.38 feet to an iron pipe; thence with a deflection angle to the left of 75 degrees 03 minutes run in a southwesterly direction for a distance of 37.13 feet to the point of beginning of this parcel of property; thence continue in this same southwesterly direction along the projection of the chainlink fence for a distance of 169.68 feet to a point; thence with an interior angle to the left of 63 degrees 16 minutes run in a northerly direction for a distance of 233.70 feet to a point; thence with an interior angle to the left of 43 degrees 55 minutes run in a southeasterly direction for a distance of 218.48 feet to the point of beginning, said parcel having an interior angle of closure of 72 degrees 49 minutes, said parcel containing 0.40 acres more or less, said parcel of property is also subject to all rights-of-way, easements, and conveyances heretofore given for this parcel of property.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.]

[SEC. 111. (a) The Department of Veterans Affairs medical center in Cleveland, Ohio, is hereby designated as the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

#### TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefore in the budget estimates submitted for the appropriations: *Provided*, That this provision does not apply to accounts that do not contain an object classification for travel: *Provided further*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further*, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured

bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made; or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between their domicile and their place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law, or under an existing Executive Order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency: (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder; and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning: (A) the contract pursuant to which the report was prepared; and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

[SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the

estimated annual rental is more than \$300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.]

SEC. [415] 414. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. [416] 415. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A-21.

SEC. [417] 416. Such sums as may be necessary for fiscal year [1999] 2000 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. [418] 417. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. [419] 418. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [1999] 2000 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. [420] 419. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year [1999 and prior fiscal years] 2000 may be used for implementing comprehensive conservation and management plans.

SEC. [421] 420. Notwithstanding any other provision of law, the term "qualified student loan" with respect to national service education awards shall mean any loan made directly to a student by the Alaska Commission on Postsecondary Education, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

SEC. [422] 421. Notwithstanding any other law, funds made available by this or any other Act or previous Acts for the United States/Mexico Foundation for Science may be used for the endowment of such Foundation[.]: *Provided*, That funds from the U.S. Government shall be matched in equal amounts with funds from Mexico: *Provided further*, That the accounts of such Foundation shall be subject to U.S. Government administrative and audit requirements concerning grants and requirements concerning cost principles for nonprofit organizations.

[SEC. 423. (a) Within 90 days of the enactment of this Act, the Consumer Product Safety Commission shall make all necessary arrangements for the Committee on Toxicology of the National Academy of Sciences (NAS) to conduct an independent 12-month study of the potential toxicologic risks of all flame-retardant chemicals identified by the NAS and the Commission as likely candidates for use in residential upholstered furniture for the purpose of meeting regulations proposed by the Commission for flame resistance of residential upholstered furniture.

(b) Upon completion of its report, the Academy shall send the report to the Commission, which shall provide it to the Congress.

(c) The Commission, before promulgating any notice of proposed rulemaking or final rulemaking setting flammability standards for

residential upholstered furniture, shall consider fully the findings and conclusions of the Academy.]

[SEC. 424. None of the funds made available in this Act may be used for researching methods to reduce methane emissions from cows, sheep, or any other ruminant livestock.]

SEC. [425] 422. None of the funds made available in this Act may be used to carry out Executive Order No. 13083.

[SEC. 426. Unless otherwise provided for in this Act, no part of any appropriation for the Department of Housing and Urban Development shall be available for any activity in excess of amounts set forth in the budget estimates submitted for the appropriations.]

[SEC. 427. NATIONAL FALLEN FIREFIGHTERS FOUNDATION. (a) ESTABLISHMENT AND PURPOSES.—Section 202 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5201) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) primarily—

“(A) to encourage, accept, and administer private gifts of property for the benefit of the National Fallen Firefighters’ Memorial and the annual memorial service associated with the memorial; and

“(B) to, in coordination with the Federal Government and fire services (as that term is defined in section 4 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2203)), plan, direct, and manage the memorial service referred to in subparagraph (A) and related activities;”;

(2) in paragraph (2), by inserting “and Federal” after “non-Federal”;

(3) in paragraph (3)—

(A) by striking “State and local” and inserting “Federal, State, and local”; and

(B) by striking “and” at the end;

(4) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following:

“(5) to provide for a national program to assist families of fallen firefighters and fire departments in dealing with line-of-duty deaths of those firefighters; and

“(6) to promote national, State, and local initiatives to increase public awareness of fire and life safety.”.

(b) BOARD OF DIRECTORS OF FOUNDATION.—Section 203(g)(1) of the National Fallen Firefighters Foundation Act (36 U.S.C. 5202(g)(1)) is amended by striking subparagraph (A) and inserting the following:

“(A) appointing officers or employees;”.

(c) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 205 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5204) is amended to read as follows:

**“SEC. 205. ADMINISTRATIVE SERVICES AND SUPPORT.**

“(a) IN GENERAL.—During the 10-year period beginning on the date of the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, the Administrator may—

“(1) provide personnel, facilities, and other required services for the operation of the Foundation; and

“(2) accept reimbursement for the assistance provided under paragraph (1).

“(b) REIMBURSEMENT.—Any amounts received under subsection

(a)(2) as reimbursement for assistance shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing that assistance.

“(c) PROHIBITION.—Notwithstanding any other provision of law, no Federal personnel or stationery may be used to solicit funding for the Foundation.”.]

[SEC. 428. INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE FOR CERTAIN HOUSING ASSISTANCE.—Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by adding at the end the following:

“(f) INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE ON THE PREMISES.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units and assistance under section 8 that—

“(1) permanently prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person who has been convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law; and

“(2) immediately and permanently terminate the tenancy in any public housing unit of, and the assistance under section 8 for,

any person who is convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law.”.]

[SEC. 429. (a) Not later than 90 days after the date of the enactment of this Act, the Consumer Product Safety Commission shall propose for comment a revocation of the amendments to the standards for the flammability of children’s sleepwear sizes 0 through 6X (contained in regulations published at 16 CFR part 1615) and 7 through 14 (contained in regulations published at 16 CFR part 1616) issued by the Commission on September 9, 1996 (61 FR 47634), and any subsequent amendments thereto.

(b) The General Accounting Office shall undertake a review of children’s burn incident data relating to burns from the ignition of children’s sleepwear from small open flame sources for the period July 1, 1997 through January 1, 1999. Such review shall be completed by April 1, 1999 and shall be submitted to the Congress and to the Consumer Product Safety Commission.

(c) Not later than July 1, 1999, the Consumer Product Safety Commission shall promulgate a final rule revoking, maintaining or modifying the amendments issued by the Commission on September 9, 1996 (61 FR 47634) and any subsequent amendments thereto amending the Flammable Fabrics Act standards for the flammability of children’s sleepwear, considering and substantively addressing the findings of the General Accounting Office and other information available to the Commission.

(d) None of the following shall apply with respect to the promulgation of the amendment prescribed by subsection (a):

(1) The Consumer Product Safety Act (15 U.S.C. 2051 et seq.).

(2) The Flammable Fabrics Act (15 U.S.C. 1191 et seq.).

(3) Chapter 6 of title 5, United States Code.

(4) The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(5) The Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121).

(6) Any other statute or Executive order.]

[SEC. 430. COMPREHENSIVE ACCOUNTABILITY STUDY FOR FEDERALLY-FUNDED RESEARCH. (a) STUDY.—The Director of the Office of Science and Technology Policy, in consultation with the Director of the Office of Management and Budget, may enter into an agreement with the National Academy of Sciences for the Academy to conduct a comprehensive study to develop methods for evaluating federally-funded research and development programs. This study shall—

(1) recommend processes to determine an acceptable level of success for federally-funded research and development programs by—

(A) describing the research process in the various scientific and engineering disciplines;

(B) describing in the different sciences what measures and what criteria each community uses to evaluate the success or failure of a program, and on what time scales these measures are considered reliable—both for exploratory long-range work and for short-range goals; and

(C) recommending how these measures may be adapted for use by the Federal Government to evaluate federally-funded research and development programs;

(2) assess the extent to which agencies incorporate independent merit-based evaluation into the formulation of the strategic plans of funding agencies and if the quantity or quality of this type of input is unsatisfactory;

(3) recommend mechanisms for identifying federally-funded research and development programs which are unsuccessful or unproductive;

(4) evaluate the extent to which independent, merit-based evaluation of federally-funded research and development programs and projects achieves the goal of eliminating unsuccessful or unproductive programs and projects; and

(5) investigate and report on the validity of using quantitative performance goals for aspects of programs which relate to administrative management of the program and for which such goals would be appropriate, including aspects related to—

(A) administrative burden on contractors and recipients of financial assistance awards;

(B) administrative burdens on external participants in independent, merit-based evaluations;

(C) cost and schedule control for construction projects funded by the program;

(D) the ratio of overhead costs of the program relative to the amounts expended through the program for equipment and direct funding of research; and

(E) the timeliness of program responses to requests for funding, participation, or equipment use.

(b) INDEPENDENT MERIT-BASED EVALUATION DEFINED.—The term “independent merit-based evaluation” means review of the scientific or technical quality of research or development, conducted by experts who are chosen for their knowledge of scientific and technical fields relevant to the evaluation and who—

(1) in the case of the review of a program activity, do not derive long-term support from the program activity; or

(2) in the case of the review of a project proposal, are not seeking funds in competition with the proposal.】

【SEC. 431. INSURANCE; INDEMNIFICATION; LIABILITY. (a) IN GENERAL.—The Administrator may provide liability insurance for, or indemnification to, the developer of an experimental aerospace vehicle developed or used in execution of an agreement between the Administration and the developer.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this section, the insurance and indemnification provided by the Administration under subsection (a) to a developer shall be provided on the same terms and conditions as insurance and indemnification is provided by the Administration under section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) to the user of a space vehicle.

(2) INSURANCE.—

(A) IN GENERAL.—A developer shall obtain liability insurance or demonstrate financial responsibility in amounts to compensate for the maximum probable loss from claims by—

(i) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with the development or use of an experimental aerospace vehicle; and

(ii) the United States Government for damage or loss to Government property resulting from such an activity.

(B) MAXIMUM REQUIRED.—The Administrator shall determine the amount of insurance required, but, except as provided in subparagraph (C), that amount shall not be greater than the amount required under section 70112(a)(3) of title 49, United States Code, for a launch. The Administrator shall publish notice of the Administrator’s determination and the applicable amount or amounts in the Federal Register within 10 days after making the determination.

(C) INCREASE IN DOLLAR AMOUNTS.—The Administrator may increase the dollar amounts set forth in section 70112(a)(3)(A) of title 49, United States Code, for the purpose of applying that section under this section to a developer after consultation with the Comptroller General and such experts and consultants as may be appropriate, and after publishing notice of the increase in the Federal Register not less than 180 days before the increase goes into effect. The Administrator shall make available for public inspection, not later than the date of publication of such notice, a complete record of any correspondence received by the Administration, and a transcript of any meetings in which the Administration participated, regarding the proposed increase.

(D) SAFETY REVIEW REQUIRED BEFORE ADMINISTRATOR PROVIDES INSURANCE.—The Administrator may not provide liability insurance or indemnification under subsection (a) unless the developer establishes to the satisfaction of the Administrator that appropriate safety procedures and practices are being followed in the development of the experimental aerospace vehicle.

(3) NO INDEMNIFICATION WITHOUT CROSS-WAIVER.—Notwithstanding subsection (a), the Administrator may not indemnify a developer of an experimental aerospace vehicle under this section unless there is an agreement between the Administration and the developer described in subsection (c).

(4) APPLICATION OF CERTAIN PROCEDURES.—If the Administrator requests additional appropriations to make payments under this section, like the payments that may be made under section 308(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b(b)), then the request for those appropriations shall be made in accordance with the procedures established by subsections (d) and (e) of section 70113 of title 49, United States Code.

(c) CROSS-WAIVERS.—

(1) ADMINISTRATOR AUTHORIZED TO WAIVE.—The Administrator, on behalf of the United States, and its departments, agencies, and related entities, may reciprocally waive claims with a developer and with the related entities of that developer under which each party to the waiver agrees to be responsible, and agrees to ensure

that its own related entities are responsible, for damage or loss to its property for which it is responsible, or for losses resulting from any injury or death sustained by its own employees or agents, as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(2) LIMITATIONS.—

(A) CLAIMS.—A reciprocal waiver under paragraph (1) may not preclude a claim by any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer’s subcontractors) or that natural person’s estate, survivors, or subrogees for injury or death, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(B) LIABILITY FOR NEGLIGENCE.—A reciprocal waiver under paragraph (1) may not absolve any party of liability to any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer’s subcontractors) or such a natural person’s estate, survivors, or subrogees for negligence, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(C) INDEMNIFICATION FOR DAMAGES.—A reciprocal waiver under paragraph (1) may not be used as the basis of a claim by the Administration or the developer for indemnification against the other for damages paid to a natural person, or that natural person’s estate, survivors, or subrogees, for injury or death sustained by that natural person as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(3) EFFECT ON PREVIOUS WAIVERS.—Subsection (c) applies to any waiver of claims entered into by the Administration without regard to whether it was entered into before, on, or after the date of the enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) ADMINISTRATION.—The term “Administration” means the National Aeronautics and Space Administration.

(2) ADMINISTRATOR.—The term “Administrator” means the Administrator of the National Aeronautics and Space Administration.

(3) COMMON TERMS.—Any term used in this section that is defined in the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) has the same meaning in this section as when it is used in that Act.

(4) DEVELOPER.—The term “developer” means a United States person (other than a natural person) who—

(A) is a party to an agreement that was in effect before the date of the enactment of this Act with the Administration for the purpose of developing new technology for an experimental aerospace vehicle;

(B) owns or provides property to be flown or situated on that vehicle; or

(C) employs a natural person to be flown on that vehicle.

(5) EXPERIMENTAL AEROSPACE VEHICLE.—The term “experimental aerospace vehicle” means an object intended to be flown in, or launched into, suborbital flight for the purpose of demonstrating technologies necessary for a reusable launch vehicle, developed under an agreement between the Administration and a developer that was in effect before the date of the enactment of this Act.

(6) RELATED ENTITY.—The term “related entity” includes a contractor or subcontractor at any tier, a supplier, a grantee, and an investigator or detailee.

(e) RELATIONSHIP TO OTHER LAWS.—

(1) SECTION 308 OF NATIONAL AERONAUTICS AND SPACE ACT OF 1958.—This section does not apply to any object, transaction, or operation to which section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) applies.

(2) CHAPTER 701 OF TITLE 49, UNITED STATES CODE.—The Administrator may not provide indemnification to a developer under this section for launches subject to license under section 70117(g)(1) of title 49, United States Code.

(f) TERMINATION.—

(1) IN GENERAL.—The provisions of this section shall terminate on December 31, 2002, except that the Administrator may extend the termination date to a date not later than September 30, 2005, if the Administrator determines that such an extension is necessary to cover the operation of an experimental aerospace vehicle.

(2) EFFECT OF TERMINATION ON AGREEMENTS.—The termination of this section does not terminate or otherwise affect a cross-waiver agreement, insurance agreement, indemnification agreement, or

any other agreement entered into under this section except as may be provided in that agreement.]

[SEC. 432. VIETNAM VETERANS ALLOTMENT. The Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) is amended by adding at the end:

*“OPEN SEASON FOR CERTAIN ALASKA NATIVE VETERANS FOR ALLOTMENTS*

“SEC. 41. (a) IN GENERAL.—(1) During the eighteen month period following promulgation of implementing rules pursuant to subsection (e), a person described in subsection (b) shall be eligible for an allotment of not more than two parcels of federal land totaling 160 acres or less under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as such Act was in effect before December 18, 1971.

“(2) Allotments may be selected only from lands that were vacant, unappropriated, and unreserved on the date when the person eligible for the allotment first used and occupied those lands.

“(3) The Secretary may not convey allotments containing any of the following—

“(A) lands upon which a native or non-native campsite is located, except for a campsite used primarily by the person selecting the allotment;

“(B) lands selected by, but not conveyed to, the State of Alaska pursuant to the Alaska Statehood Act or any other provision of law;

“(C) lands selected by, but not conveyed to, a Village or Regional Corporation;

“(D) lands designated as wilderness by statute;

“(E) acquired lands;

“(F) lands containing a building, permanent structure, or other development owned or controlled by the United States, another unit of government, or a person other than the person selecting the allotment;

“(G) lands withdrawn or reserved for national defense purposes other than National Petroleum Reserve-Alaska;

“(H) National Forest Lands; and

“(I) lands selected or claimed, but not conveyed, under a public land law, including but not limited to the following:

“(1) Lands within a recorded mining claim.

“(2) Home sites.

“(3) Trade and Manufacturing sites.

“(4) Reindeer sites and Reindeer headquarters sites.

“(5) Cemetery sites.

“(4) A person who qualifies for an allotment on lands prohibited from conveyance by a provision of subsection (a)(3) may select an alternative allotment from the following lands located within the geographic boundaries of the same Regional Corporation as the excluded allotment—

“(A) lands withdrawn pursuant to section 11(a)(1) of this Act which were not selected, or were relinquished after selection;

“(B) lands contiguous to the outer boundary of lands withdrawn pursuant to section 11(a)(1)(C) of this Act, except lands excluded from selection by a provision of subsection (a)(3) and lands within a National Park; and

“(C) vacant, unappropriated and unreserved lands.

“(5) After consultation with a person entitled to an allotment within a Conservation System Unit, the Secretary may convey alternative lands of equal acreage, including lands within a Conservation System Unit, to that person if the Secretary determines that the allotment would be incompatible with a purpose for which the Conservation System Unit was established.

“(6) All conveyances under this section shall—

“(A) be subject to valid existing rights, including any right of the United States to income derived, directly or indirectly, from a lease, license, permit, right-of-way or easement; and

“(B) reserve to the United States deposits of oil, gas and coal, together with the right to explore, mine, and remove these minerals, on lands which the Secretary determines to be prospectively valuable for development.

“(b) ELIGIBLE PERSON.—(1) A person is eligible to select an allotment under this section if that person—

“(A) would have been eligible for an allotment under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as that Act was in effect before December 18, 1971; and

“(B) is a veteran who served during the period between January 1, 1969 and December 31, 1971 and—

“(i) served at least 6 months between January 1, 1969 and June 2, 1971; or

“(ii) enlisted or was drafted into military service after June 2, 1971 but before December 3, 1971.

“(2) The personal representative of the estate of a decedent who was eligible under subsection (b)(1) may, for the benefit of the heirs, select an allotment if, during the period specified in subsection (b)(1)(B), the decedent—

“(A) was killed in action;

“(B) was wounded in action and subsequently died as a direct consequence of that wound, as determined by the Department of Veterans Affairs; or

“(C) died while a prisoner of war.

“(3) No person who received an allotment or has a pending allotment under the Act of May 17, 1906 may receive an allotment under this section.

“(c) STUDY AND REPORT.—(1) The Secretary of the Interior shall conduct a study to identify and assess the circumstances of veterans of the Vietnam era who—

“(A) served during a period other than that specified in subsection (b)(1)(B);

“(B) were eligible for an allotment under the Act of May 17, 1906; and

“(C) did not apply for an allotment under that Act.

“(2) The Secretary shall, within one year of the enactment of this section, issue a written report on the study, including findings and recommendations, to the Committee on Appropriations and the Committee on Energy and Natural Resources in the Senate and the Committee on Appropriations and the Committee on Resources in the House of Representatives.

“(d) DEFINITIONS.—For the purposes of this section, the terms ‘veteran’ and ‘Vietnam era’ have the meanings given those terms by paragraphs (2) and (29), respectively, of section 101 of title 38, United States Code.

“(e) REGULATIONS.—No later than 18 months after enactment of this section, the Secretary of the Interior shall promulgate, after consultation with Alaska Natives groups, rules to carry out this section.”]

[SEC. 433. The Administrator of the National Aeronautics and Space Administration shall develop and deliver to the House and Senate Committees on Appropriations, no later than 60 days after the date of the enactment of this Act, a study of alternative approaches whereby NASA could contract with a Russian entity or entities for goods and services related to the International Space Station. The study shall evaluate, at a minimum, government-to-government, government-to-industry, and industry-to-industry arrangements. The study shall evaluate the pros and cons of each possible approach, addressing the following requirements: (1) ensure that NASA receives value for each dollar spent; (2) ensure that the funds provided can be audited; (3) define appropriate milestones; and, (4) adhere to all relevant technology transfer and export control laws.]

[SEC. 434. The National Aeronautics and Space Administration Lewis Research Center in Cleveland, Ohio, shall be redesignated as the “National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field”. Any reference in a law, map, regulation, document, paper, or other record of the United States to the National Aeronautics and Space Administration Lewis Research Center in Ohio shall be deemed to be a reference to the “National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field”.]

[SEC. 435. The proposed Amendments to Accounting for Property, Plant, and Equipment (February 1998) (Amending Statements of Federal Financial Accounting Standards Nos. 6 and 8, “Accounting for Property, Plant, and Equipment” and “Supplementary Stewardship Reporting”) may be adopted without the prior notification and waiting period required by section 307 of the Chief Financial Officers Act of 1990 (Public Law 101-576).] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.*)

[SEC. 121. In addition to amounts provided in the conference report accompanying H.R. 4194 (H. Rept. 105-769), the following funds are hereby appropriated: \$10,000,000 for “Housing opportunities for persons with AIDS”, to remain available until expended; \$45,000,000 to the Secretary of Housing and Urban Development for “Urban Empowerment Zones” for grants in connection with a second round of the empowerment zones program in urban areas, designated by the Secretary of Housing and Urban Development in fiscal year 1999 pursuant to the Taxpayer Relief Act of 1997, including \$3,000,000 for each empowerment zone for use in conjunction with economic

development activities consistent with the strategic plan of each empowerment zone, to remain available until expended; \$20,000,000 for “State and tribal assistance grants” for a grant for construction and related activities for wastewater treatment for Boston, Massachusetts, to remain available until expended; \$10,000,000 for “National and community service programs operating expenses” for grants under the National Service Trust program authorized under subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) (relating to activities including the AmeriCorps program), to remain available until September 30, 2000: *Provided*, That none of the funds provided herein for “National and community service programs operating expenses” may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of the aforementioned Act; \$10,000,000 for “Science and technology”, for research associated with the Climate Change Technology Initiative, to remain available until September 30, 2000: *Provided further*, That the obligated balance of such \$10,000,000 shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000; and \$15,000,000 for “Community development financial institutions fund program account”, to remain available until September 30, 2000.

Of the amount appropriated in H.R. 4194, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, under the heading “Community development block grants”, \$4,750,000 shall be available as a grant to Cayuga County, New York, to repair and rehabilitate the seawalls at the Owasco Lake outlet, and \$250,000 shall be available as a grant to Jackson, Michigan, to remove a portion of the Grand River culvert in Jackson, Michigan.]

[SEC. 126. If the President makes the appointment to the position of Under Secretary for Health of the Department of Veterans Affairs authorized by section 907 of the Veterans Programs Enhancement Act of 1998, the individual appointed shall receive the pay and allowances authorized for that position as if the appointment had been made on September 29, 1998, except that the amount of such pay and allowances that is attributable to the period beginning on September 29, 1998, and ending on the day before the date of that appointment shall be reduced by any amount paid that individual by the United States for personal services performed during that period.] (*Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, as included in Public Law 105-277, Division A.*)