

# DEPARTMENT OF VETERANS AFFAIRS

## VETERANS HEALTH ADMINISTRATION

### Federal Funds

#### MEDICAL SERVICES

*For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment, bioengineering services, food services, and salaries and expenses of health care employees hired under title 38, United States Code, aid to State homes as authorized by section 1741 of title 38, United States Code, assistance and support services for caregivers as authorized by section 1720G of title 38, United States Code, and loan repayments authorized by section 604 of the Caregivers and Veterans Omnibus Health Services Act of 2010 (Public Law 111-163; 124 Stat. 1174; 38 U.S.C. 7681 note); \$157,500,000, which shall be in addition to funds previously appropriated under this heading that became available on October 1, 2013; and, in addition, \$45,015,527,000, plus reimbursements, shall become available on October 1, 2014, and shall remain available until September 30, 2015: Provided, That, of the amount made available on October 1, 2014, under this heading, \$1,400,000,000 shall remain available until September 30, 2016: Provided further, That notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for the provision of medical treatment for veterans who have service-connected disabilities, lower income, or have special needs: Provided further, That notwithstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: Provided further, That notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: Provided further, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs.*

Note.—This account receives advance appropriations; a full-year 2013 appropriation for this account was enacted in the Consolidated Appropriations Act, 2012 (P.L. 112-74). The amounts included for 2013 also reflect the annualized level provided by the Continuing Appropriations Resolution, 2013 (P.L. 112-175) as well as amounts from P.L. 113-2, the Disaster Relief Appropriations Act, 2013.

#### Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-0160-0-1-703	2012 actual	2013 CR	2014 est.
0100 Balance, start of year .....	233	217	217
Receipts:			
0220 Pharmaceutical Co-payments, MCCF .....	707	724	799
0221 Medical Care Collections Fund, Third Party Prescription Claims .....	102	100	100
0222 Enhanced-use Lease Proceeds, MCCF .....	10	2	2
0223 First Party Collections, MCCF .....	184	188	189
0224 Third Party Collections, MCCF .....	1,746	1,760	1,778
0225 Third Party Collections, MCCF .....			129
0226 Parking Fees, MCCF .....	4	4	4
0227 Compensated Work Therapy, MCCF .....	59	57	57
0228 MCCF, Long-term Care Copayments .....	3	4	4
0240 Payments from Compensation and Pension, MCCF .....	2	2	2
Adjustments:			
0290 Adjustment - rounding .....	-3		
0299 Total receipts and collections .....	2,814	2,841	3,064
0400 Total: Balances and collections .....	3,047	3,058	3,281
Appropriations:			
0500 Medical Care Collections Fund .....	-2,830	-2,841	-2,935
0501 Medical Care Collections Fund .....			-129
0599 Total appropriations .....	-2,830	-2,841	-3,064
0799 Balance, end of year .....	217	217	217

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

Identification code 36-0160-0-1-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Ambulatory care .....	19,646	20,164	20,340
0002 Inpatient care .....	7,672	8,031	8,459
0003 Rehabilitation Care .....	413	461	514
0004 Mental health care .....	4,202	4,788	5,431
0005 Long-term care .....	4,867	5,557	6,415
0006 Prosthetics care .....	1,768	1,973	2,180
0007 Dental care .....	474	513	559
0008 CHAMPVA and Other dependent programs .....	1,233	1,340	1,460
0009 Readjustment counseling .....	170	189	200
0091 Total operating expenses .....	40,445	43,016	45,558
0101 Ambulatory care .....	1,135	782	505
0102 Inpatient care .....	580	406	260
0103 Rehabilitation care .....	46	32	20
0104 Mental health care .....	341	239	153
0105 Long-term care .....	238	167	107
0106 Prosthetics care .....	23	16	10
0107 Dental care .....	41	29	19
0109 Readjustment counseling .....	7	5	3
0110 Provided by the continuing resolution (P.L. 112-175) .....		1,409	
0191 Total capital investment .....	2,411	3,085	1,077
0799 Total direct obligations .....	42,856	46,101	46,635
0801 Reimbursable program .....	176	287	200
0900 Total new obligations .....	43,032	46,388	46,835
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1,016	491	
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	1,400	1,430	1,558
1120 Appropriations transferred to other accts [36-0169] .....	-173		
1120 Appropriations transferred to other accts [36-0165] .....	-15	-15	-15
1121 Appropriations transferred from other accts [36-5287] .....	2,814	2,841	2,935
1121 Appropriations transferred from other accts [36-0152] .....	56		
1160 Appropriation, discretionary (total) .....	4,082	4,256	4,478
Advance appropriations, discretionary:			
1170 Advance appropriation .....	39,650	41,354	43,557
1173 Advance appropriations permanently reduced .....	-1,400		-1,400
1180 Advanced appropriation, discretionary (total) .....	38,250	41,354	42,157
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	171	287	200
1701 Change in uncollected payments, Federal sources .....	4		
1750 Spending auth from offsetting collections, disc (total) .....	175	287	200
1900 Budget authority (total) .....	42,507	45,897	46,835
1930 Total budgetary resources available .....	43,523	46,388	46,835
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	491		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	5,151	7,484	10,217
3010 Obligations incurred, unexpired accounts .....	43,032	46,388	46,835
3011 Obligations incurred, expired accounts .....	-316		
3020 Outlays (gross) .....	-40,383	-43,655	-45,922
3050 Unpaid obligations, end of year .....	7,484	10,217	11,130
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-12	-7	-7
3070 Change in uncollected pymts, Fed sources, unexpired .....	-4		
3071 Change in uncollected pymts, Fed sources, expired .....	9		
3090 Uncollected pymts, Fed sources, end of year .....	-7	-7	-7
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	5,139	7,477	10,210
3200 Obligated balance, end of year .....	7,477	10,210	11,123
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	42,507	45,897	46,835
Outlays, gross:			
4010 Outlays from new discretionary authority .....	35,398	38,690	40,394
4011 Outlays from discretionary balances .....	4,985	4,965	5,528

MEDICAL SERVICES—Continued  
Program and Financing—Continued

Identification code 36-0160-0-1-703	2012 actual	2013 CR	2014 est.
4020 Outlays, gross (total) .....	40,383	43,655	45,922
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Baseline Program (Medical services) .....	-36	-63	-63
4033 Non-Federal sources .....	-148	-224	-137
4040 Offsets against gross budget authority and outlays (total) ....	-184	-287	-200
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired .....	-4		
4052 Offsetting collections credited to expired accounts .....	13		
4060 Additional offsets against budget authority only (total) .....	9		
4070 Budget authority, net (discretionary) .....	42,332	45,610	46,635
4080 Outlays, net (discretionary) .....	40,199	43,368	45,722
4180 Budget authority, net (total) .....	42,332	45,610	46,635
4190 Outlays, net (total) .....	40,199	43,368	45,722

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

	2012 actual	2013 CR	2014 est.
Enacted/requested:			
Budget Authority .....	42,332	45,610	46,635
Outlays .....	40,199	43,368	45,722
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			129
Outlays .....			71
Total:			
Budget Authority .....	42,332	45,610	46,764
Outlays .....	40,199	43,368	45,793

For 2015, the Budget requests \$55.6 billion in advance appropriations for the three medical care appropriations: Medical Services, Medical Support and Compliance, and Medical Facilities. This request for advance appropriations fulfills the Administration's commitment to provide reliable and timely resources to support the delivery of accessible and high-quality medical services for veterans. Advance appropriations require a multi-year approach to budget planning whereby one year builds off the previous year. This funding enables timely and predictable funding for VA's medical care to prevent our Nation's veterans from being adversely affected by budget delays, and provides opportunities to more effectively use resources in a constrained fiscal environment. For example, estimated savings from management improvements to be achieved in 2013, 2014 and 2015 will reduce the requirements for the 2014 and 2015 appropriations.

For 2014, Medical Care appropriations are increased by \$157.5 million over the 2014 advance appropriations request of \$54.5 billion. Each year, VA updates its budget estimates to incorporate the most recent data on health care utilization rates, actual program experience, and other factors, such as economic trends in unemployment and inflation. As a result of these updates, the adjusted budget estimates more accurately reflect the projected medical demands of veterans enrolled in the VA health care system.

With the resources requested for 2014 and 2015, VA will provide the highest quality health care services for veterans. VA estimates it will treat 6.5 million patients in 2014 and 6.6 million patients in 2015. Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn (OEF/OIF/OND) veterans are expected to reach 674,754 in 2014 (10.4 percent of the total) and 742,146 in 2015 (11.3 percent of the total).

**Medical Services.**—For Medical Services, the Budget reflects the following appropriation funding: the 2013 enacted advance appropriation of \$41.4 billion, augmented by supplemental funding (as provided in P.L. 113–2) and the annualized level

provided by the continuing resolution (P.L. 112–175) (see Note below); the 2014 advance appropriation request of \$43.7 billion; and the 2015 advance appropriation request of \$45.0 billion. This appropriation provides for a comprehensive, integrated health care delivery system that addresses the needs of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the Civilian Health and Medical Programs for the Department of Veterans Affairs (CHAMPVA).

*Note.*—The funding level displayed for 2013 shows the enacted advance appropriation augmented by supplemental funding (as provided in P.L. 113–2) and the annualized level provided by the continuing resolution (P.L. 112–175). The annualized level reflects an additional \$1,409 million in funding. Most of this additional funding is an unintended result of the mechanism by which Congress rescinded a portion of the enacted 2012 advance appropriation and appropriated the same amount with two-year availability. The rescission does not recur as a term and condition under the continuing resolution, but the appropriation does. The additional funding of \$1,409 million is anticipated to be cancelled upon enactment of either a 2013 full-year continuing resolution or regular appropriation.

**Medical Care Collections Fund (MCCF).**—VA estimates collections of nearly \$3.1 billion in 2014 and nearly \$3.2 billion in 2015, representing five percent of available resources in both years. VA has the authority to collect inpatient and outpatient co-payments, medication co-payments, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for nonservice-connected conditions; and authority to collect revenue from enhanced use leases. These collections also include those collected from the Compensated Work Therapy Program, Compensation and Living Expenses Program, and the Parking Program.

WORKLOAD

**Ambulatory care.**—Obligations for 2014 are estimated to be \$20,974 million for this health service category which includes funding for ambulatory care in VA hospital-based and community-based clinics. Contract fee care is provided to eligible beneficiaries when VA facilities are not geographically accessible, services are not available at a particular facility, or when care cannot be provided in a timely manner.

Estimated operating levels are:

Outpatient Visits:	2012 actual	2013 est.	2014 est.
Staff .....	74,309,650	77,271,844	79,949,871
Fee .....	12,874,997	13,366,815	13,939,209
Total .....	87,184,647	90,638,659	93,889,080

**Inpatient care.**—Obligations for 2014 are estimated to be \$8,719 million. VA delivers inpatient acute care in its hospitals and through inpatient contract care.

Estimated operating levels are:

Patients Treated .....	2012 actual	2013 est.	2014 est.
	630,952	639,502	644,801

**Rehabilitative care.**—Obligations for 2014 are estimated to be \$534 million for the provision of rehabilitative care, including Blind Rehabilitation and Spinal Cord Injury programs. These services include inpatient and outpatient blind and vision rehabilitation programs, adjustment to blindness counseling, patient and family education, and assistive technology. The mission of Spinal Cord Injury and Disorders (SCI/D) Services is to promote the health, independence, quality of life and productivity of individuals with spinal cord injury and disorders through efficient delivery of acute rehabilitation, psychological, social, vocational,

medical and surgical care, professional training, as well as patient and family education.

Estimated operating levels are:

	2012 actual	2013 est.	2014 est.
Patients treated .....	16,091	16,465	16,764

**Mental health care.**—Obligations for 2014 are estimated to be \$5,584 million for the inpatient, residential, and outpatient care of veterans with conditions related to mental illness, including alcohol and drug problems. Mental health services and operations ensure the availability of a range of services, from treatment of a variety of common mental health conditions in primary care to more intensive interventions in specialty mental health programs for more severe and persisting mental health conditions. Specialty services such as evidence-based psychotherapies, intensive outpatient programs, residential rehabilitation treatment, and inpatient care are available to meet the range of veterans' needs.

Estimated operating levels are:

	2012 actual	2013 est.	2014 est.
Average daily census .....	9,212	9,154	8,994
Outpatient Visits/Encounters .....	11,556,003	12,023,995	12,467,700

**Long-term care.**—Obligations for 2014 are estimated to be \$6,522 million for the care of veteran residents in long-term care programs. VA offers a spectrum of geriatric and extended care services to veterans enrolled in its health care system. The spectrum of long-term care services includes non-institutional and institutional services. All VA medical centers provide home- and community-based long-term care programs. The patient-focused approach supports veterans who wish to live safely at home in their own communities for as long as possible. In addition, veterans receive institutional long-term care through one of four venues: VA Community Living Centers (CLCs); Community Nursing Homes; State Veterans Nursing Homes; and State Veterans Home Domiciliaries.

Estimated operating levels are:

	2012 actual	2013 est.	2014 est.
Institutional (ADC) .....	40,847	41,580	42,466
Non-Institutional Visits/Procedures .....	11,458,105	13,222,722	14,205,014

**Prosthetics care.**—Obligations for 2014 are estimated to be \$2,190 million for veterans. Prosthetic and Sensory Aids Service is an integrated delivery system designed to provide medically prescribed prosthetic and sensory aids, medical devices, assistive aids, repairs and services to eligible disabled veterans to maximize the independence and enhance their quality of life. This includes, but is not limited to, artificial limbs, hearing aids, and home oxygen; items that improve accessibility such as ramps and vehicle modifications, wheelchairs and mobility aids; and devices surgically placed in the veteran, such as stents.

**Dental care.**—Obligations for 2014 are estimated to be \$578 million for the treatment of veterans who require dental care. Dental care services are provided to eligible veterans with a "medical condition negatively impacted by poor dentition." These patients may include poorly controlled diabetic patients, patients with head or neck cancer, organ transplant patients and others. Veterans with a 100 percent service-connected disability are eligible for comprehensive dental care as needed. In addition, homeless veterans enrolled in certain residential treatment programs are also eligible for dental treatment.

Estimated operating levels are:

	2012 actual	2013 est.	2014 est.
Dental Procedures .....	4,089,217	4,267,492	4,436,598

**Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) and Other Dependent Programs.**—Obligations for 2014 are estimated to be \$1,460 million for the care of veterans and beneficiaries of these programs. The

Veterans Health Care Expansion Act of 1973, Public Law 93–82, authorized VA to provide a health benefits program that shares the cost of medical supplies and services with eligible beneficiaries. The Veterans' Survivor Benefits Improvements Act of 2001, Public Law 107–14, extended CHAMPVA benefits, as a secondary payer to Medicare, to CHAMPVA beneficiaries over age 6. CHAMPVA programs also include Foreign Medical Program (FMP), Spina Bifida Health Care Program, and Children of Women Vietnam Veterans Health Care Program (CWVV). The Veterans Caregivers and Veterans Omnibus Health Services Act of 2010, Public Law 111–163, further expanded CHAMPVA to include primary family caregivers of certain seriously injured Veterans. Eligible primary family caregivers are authorized to receive health care benefits through the existing CHAMPVA Program when the primary family caregiver has no other health care coverage (including Medicare and Medicaid).

Estimated operating levels are:

	2012 actual	2013 est.	2014 est.
Outpatient Workloads .....	12,691,000	13,706,000	14,802,000

**Readjustment Counseling.**—Obligations for 2014 are estimated to be \$203 million. This program provides readjustment counseling services at VA Vet Centers. Vet Centers are community-based counseling centers that provide a wide range of social and psychological services to include: professional readjustment counseling to veterans who have served in a combat zone, military sexual trauma counseling, bereavement counseling for families who experience an active duty death, substance abuse assessments and referral, medical referral, VBA benefits explanation and referral, and employment counseling. Services are also extended to the family members of eligible veterans for issues related to military service and the readjustment of those veterans.

Estimated operating levels are:

	2012 actual	2013 est.	2014 est.
Visits .....	1,505,000	1,540,000	1,574,000

**PERFORMANCE MEASURES**

**Quality and timeliness of care.**—VA's budget request focuses on the Department's priority of providing timely, accessible, and high-quality health care. To achieve this priority, VA has several key measures that provide detail into quality of care. VA measures its impact on population health using the Clinical Practice Guidelines IV and the Prevention Index V to ensure health system actions improve the health of the veteran community. Clinical Practice Guidelines Index IV assesses the progress and results associated with the management of common chronic diseases that impact the health trajectories of Veterans. The Clinical Practice Guidelines Index IV is expected to reach 93% in 2014, with a strategic target of 94%. Prevention Index V measures VA's efforts in preventing illness through measures such as immunization and screening. VA expects the Prevention Index V to reach 94% in 2014, with a strategic target of 95%.

	2012 actual	2013 est.	2014 est.
Prevention Index V .....	94%	93%	94%
Clinical Practice Guidelines Index IV .....	94%	92%	93%

**Access to medical care.**—VA examines wait times for completed appointments with the ultimate goal of delivering high quality service at the time wanted and needed by each veteran. In 2014, VA will measure wait times for primary care, specialty care, and mental health appointments for new and established patients. In 2013, VHA updated the methodologies to measure wait times for new and established patient appointments to improve reliability and consistency. Therefore, no targets are set in 2013 and 2014 so that baseline performance can be established.

MEDICAL SERVICES—Continued

	2012 actual	2013 est.	2014 est.
Appointment performance measures are provided below:			
Percent of new primary care appointments completed within 14 days of the create date for the appointment <sup>1</sup> .....	N/Av	TBD	TBD
Percent of established primary care patients with a scheduled appointment within 14 days of the desired date for the appointment <sup>2</sup> .....	N/Av	TBD	TBD
Percent of new specialty care appointments completed within 14 days of the create date of the appointment <sup>1</sup> .....	N/Av	TBD	TBD
Percent of established specialty care patients with a scheduled appointment within 14 days of the desired date for the appointment <sup>2</sup> .....	N/Av	TBD	TBD
Percent of new mental health appointments completed within 14 days of the create date for the appointment <sup>1</sup> .....	N/Av	TBD	TBD
Percent of established mental health patients with a scheduled appointment within 14 days of the desired date for the appointment <sup>2</sup> .....	N/Av	TBD	TBD

<sup>1</sup> In 2013, VHA updated the methodology to measure wait times for new patient appointments to improve reliability and consistency. Appointments for new patients will use the create date, defined as when the appointment was made and automatically captured by the scheduling system. Therefore, no targets are set in 2013 and 2014 so baseline performance can be established.

<sup>2</sup> In 2013, VHA updated the methodology to measure wait times for established patient appointments to improve reliability and consistency. Appointments for established patients will use the desired date, defined as the agreed upon date determined together by provider and patient. Desired date is measured prospectively to better represent patient satisfaction. Therefore, no targets are set in 2013 and 2014 so baseline performance can be established.

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	13,831	14,381	14,992
11.3 Other than full-time permanent .....	287	292	311
11.5 Other personnel compensation .....	1,595	1,663	1,729
Total personnel compensation .....	15,713	16,336	17,032
12.1 Civilian personnel benefits .....	4,676	4,922	5,310
13.0 Benefits for former personnel .....	14	14	14
21.0 Employee travel .....	53	53	53
21.0 Beneficiary travel .....	860	903	937
21.0 Interagency motor pool payments .....	19	19	19
21.0 All other .....	6	6	6
22.0 Transportation of things .....	11	12	14
23.2 Rental payments to others .....	3		
23.3 Communications, utilities, and miscellaneous charges .....	316	352	394
24.0 Printing and reproduction .....	18	18	18
25.2 Other contractual services .....	4,435	4,823	5,025
25.6 Outpatient dental fees .....	98	102	107
25.6 Medical and nursing fees .....	1,604	1,738	1,884
25.6 Community nursing homes .....	617	662	725
25.6 Contract hospitalization .....	1,587	1,753	1,937
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) .....	929	1,019	1,113
26.0 Medical supplies and materials .....	8,325	8,806	9,368
31.0 Equipment .....	2,404	1,676	1,077
32.0 Land and structures .....	6		
41.0 Medical grants, subsidies, and contributions .....	852	975	1,066
41.0 Medical grants to private organizations .....	310	503	536
92.0 Undistributed - provided by the continuing resolution (P.L.112-175) .....		1,409	
99.0 Direct obligations .....	42,856	46,101	46,635
99.0 Reimbursable obligations .....	176	287	200
99.9 Total new obligations .....	43,032	46,388	46,835

Employment Summary

Identification code 36-0160-0-1-703	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	185,531	192,880	199,793

2001 Reimbursable civilian full-time equivalent employment .....	1,782	1,872	1,872
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MEDICAL SERVICES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0160-2-1-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Ambulatory care .....			129
0900 Total new obligations (object class 25.2) .....			129
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1121 Appropriations transferred from other accts [36-5287] ....			129
1160 Appropriation, discretionary (total) .....			129
1930 Total budgetary resources available .....			129
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			129
3020 Outlays (gross) .....			-71
3050 Unpaid obligations, end of year .....			58
Memorandum (non-add) entries:			
3200 Obligated balance, end of year .....			58
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....			129
Outlays, gross:			
4010 Outlays from new discretionary authority .....			71
4180 Budget authority, net (total) .....			129
4190 Outlays, net (total) .....			71

VA is proposing to increase the Department's ability to bill private insurers for care provided to treat nonservice-connected conditions. The proposals would allow VA to be considered as a participating provider for purposes of reimbursement and would allow for disclosure of health care information for billing purposes to be consistent with the use of this information for treatment purposes (subject to all applicable privacy laws and regulations).

MEDICAL SUPPORT AND COMPLIANCE

*For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); \$5,879,700,000, plus reimbursements, shall become available on October 1, 2014, and shall remain available until September 30, 2015: Provided, That, of the amount available under this heading, \$100,000,000 shall remain available until September 30, 2016.*

Note.—This account receives advance appropriations; a full-year 2013 appropriation for this account was enacted in the Consolidated Appropriations Act, 2012 (P.L. 112-74).

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Ambulatory care .....	2,584	3,029	3,197
0002 Inpatient care .....	1,037	1,037	1,037
0003 Rehabilitation care .....	75	75	75
0004 Mental health care .....	707	707	707
0005 Long-term care .....	580	580	580
0006 Prosthetics care .....	155	155	155
0007 Dental care .....	84	84	84
0008 CHAMPVA and other dependent programs .....	77	96	108

0091	Total operating expenses .....	5,299	5,763	5,943
0101	Ambulatory care .....	44	42	43
0102	Inpatient care .....	17	17	17
0103	Rehabilitation care .....	1	1	1
0104	Mental health care .....	13	13	13
0105	Long-term care .....	11	11	11
0106	Prosthetics care .....	4	4	4
0107	Dental care .....	1	1	1
0110	Provided by the continuing resolution (P.L. 112-175) .....		101	
0191	Total capital investment .....	91	190	90
0293	Total direct program .....	5,390	5,953	6,033
0799	Total direct obligations .....	5,390	5,953	6,033
0801	Reimbursable program activity .....	37	78	40
0900	Total new obligations .....	5,427	6,031	6,073

**Budgetary Resources:**

1000	Unobligated balance:			
	Unobligated balance brought forward, Oct 1 .....	103	106	
	Budget authority:			
	Appropriations, discretionary:			
1100	Appropriation .....	100	101	100
1120	Appropriations transferred to other accts [36-0169] .....	-24		
1120	Appropriations transferred to other accts [36-0160] .....	-56		
1120	Appropriations transferred to other accts [36-0165] .....	-50		
1160	Appropriation, discretionary (total) .....	-30	101	100
	Advance appropriations, discretionary:			
1170	Advance appropriation .....	5,535	5,746	6,033
1173	Advance appropriations permanently reduced .....	-100		-100
1180	Advanced appropriation, discretionary (total) .....	5,435	5,746	5,933
	Spending authority from offsetting collections, discretionary:			
1700	Collected .....	35	78	40
1701	Change in uncollected payments, Federal sources .....	1		
1750	Spending auth from offsetting collections, disc (total) .....	36	78	40
1900	Budget authority (total) .....	5,441	5,925	6,073
1930	Total budgetary resources available .....	5,544	6,031	6,073
	Memorandum (non-add) entries:			
1940	Unobligated balance expiring .....	-11		
1941	Unexpired unobligated balance, end of year .....	106		

**Change in obligated balance:**

	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	897	897	1,222
3010	Obligations incurred, unexpired accounts .....	5,427	6,031	6,073
3011	Obligations incurred, expired accounts .....	-101		
3020	Outlays (gross) .....	-5,326	-5,706	-5,955
3050	Unpaid obligations, end of year .....	897	1,222	1,340
	Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-3	-1	-1
3070	Change in uncollected pymts, Fed sources, unexpired .....	-1		
3071	Change in uncollected pymts, Fed sources, expired .....	3		
3090	Uncollected pymts, Fed sources, end of year .....	-1	-1	-1
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	894	896	1,221
3200	Obligated balance, end of year .....	896	1,221	1,339

**Budget authority and outlays, net:**

	Discretionary:			
4000	Budget authority, gross .....	5,441	5,925	6,073
	Outlays, gross:			
4010	Outlays from new discretionary authority .....	4,642	5,192	5,384
4011	Outlays from discretionary balances .....	684	514	571
4020	Outlays, gross (total) .....	5,326	5,706	5,955
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4030	Federal sources .....	-34	-78	-40
4033	Non-Federal sources .....	-4		
4040	Offsets against gross budget authority and outlays (total) .....	-38	-78	-40
	Additional offsets against gross budget authority only:			
4050	Change in uncollected pymts, Fed sources, unexpired .....	-1		
4052	Offsetting collections credited to expired accounts .....	3		
4060	Additional offsets against budget authority only (total) .....	2		
4070	Budget authority, net (discretionary) .....	5,405	5,847	6,033
4080	Outlays, net (discretionary) .....	5,288	5,628	5,915
4180	Budget authority, net (total) .....	5,405	5,847	6,033
4190	Outlays, net (total) .....	5,288	5,628	5,915

For 2015, the Budget requests \$5.9 billion in advance appropriations for Medical Support and Compliance. This request for advance appropriations fulfills the Administration's commitment to provide reliable and timely resources to support the delivery of accessible and high-quality medical services for veterans.

For Medical Support and Compliance, the Budget reflects the following appropriation funding: the 2013 enacted advance appropriation of \$5.7 billion, augmented by the annualized level provided by the continuing resolution (P.L. 112-175) (see *Note* below); the 2014 appropriation request of \$6.0 billion; and the 2015 advance appropriation request of \$5.9 billion. The Medical Support and Compliance appropriation finances the expenses of management, security, and administration of the VA health care system through the operation of VA medical centers, other facilities, Veterans Integrated Service Network offices and facility director offices, chief of staff operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, and human resource management.

*Note.*—The funding level displayed for 2013 shows the enacted advance appropriation augmented by the annualized level provided by the continuing resolution (P.L. 112-175). The annualized level reflects an additional \$101 million in funding. Most of this additional funding is an unintended result of the mechanism by which Congress rescinded a portion of the enacted 2012 advance appropriation and appropriated the same amount with two-year availability. The rescission does not recur as a term and condition under the continuing resolution, but the appropriation does. The additional funding of \$101 million is anticipated to be cancelled upon enactment of either a 2013 full-year continuing resolution or regular appropriation.

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

Identification code 36-0152-0-1-703	2012 actual	2013 CR	2014 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	2,669	2,743	2,856
11.3	Other than full-time permanent .....	55	54	59
11.5	Other personnel compensation .....	308	318	330
11.9	Total personnel compensation .....	3,032	3,115	3,245
12.1	Civilian personnel benefits .....	938	981	1,033
13.0	Benefits for former personnel .....	5	5	5
21.0	Employee travel .....	63	63	63
21.0	All other .....	5	5	5
22.0	Transportation of things .....	11	12	12
23.3	Communications, utilities, and miscellaneous charges .....	118	125	135
24.0	Printing and reproduction .....	14	15	15
25.2	Other contractual services .....	1,010	1,351	1,328
25.6	Medical and nursing fees .....	5		
26.0	Medical supplies and materials .....	97	90	102
26.0	Provisions .....	2		
31.0	Equipment .....	89	90	90
32.0	Land and structures .....	1		
92.0	Undistributed - provided by the continuing resolution (P.L. 112-175) .....		101	
99.0	Direct obligations .....	5,390	5,953	6,033
99.0	Reimbursable obligations .....	37	78	40
99.9	Total new obligations .....	5,427	6,031	6,073

**Employment Summary**

Identification code 36-0152-0-1-703	2012 actual	2013 CR	2014 est.	
1001	Direct civilian full-time equivalent employment .....	46,190	47,735	49,060
2001	Reimbursable civilian full-time equivalent employment .....	831	869	869

DOD-VA HEALTH CARE SHARING INCENTIVE FUND

Program and Financing (in millions of dollars)

Identification code 36-0165-0-1-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 DOD-VA health care sharing incentive fund .....	58	94	94
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	189	263	199
1021 Recoveries of prior year unpaid obligations .....	2		
1050 Unobligated balance (total) .....	191	263	199
Budget authority:			
Appropriations, discretionary:			
1121 Transferred from VA account [36-0160] .....	15	15	15
1121 Transferred from DOD account [97-0130] .....	65	15	15
1121 Transferred from VA account [36-0152] .....	50		
1160 Appropriation, discretionary (total) .....	130	30	30
1930 Total budgetary resources available .....	321	293	229
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	263	199	135
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	42	37	1
3010 Obligations incurred, unexpired accounts .....	58	94	94
3020 Outlays (gross) .....	-61	-130	-80
3040 Recoveries of prior year unpaid obligations, unexpired .....	-2		
3050 Unpaid obligations, end of year .....	37	1	15
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	42	37	1
3200 Obligated balance, end of year .....	37	1	15
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	130	30	30
Outlays, gross:			
4011 Outlays from discretionary balances .....	61	130	80
4180 Budget authority, net (total) .....	130	30	30
4190 Outlays, net (total) .....	61	130	80

The purpose of the Department of Defense-Veterans Affairs Health Care Sharing Incentive Fund, often referred to as the Joint Incentive Fund (JIF), is to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives at the facility, intra-regional and nationwide levels. The JIF promotes collaboration and new approaches to problem solving to enable the Departments to improve the coordination of health care services. The Departments have established the fund and developed processes and criteria to solicit and select projects. Section 721 of the 2003 National Defense Authorization Act, Public Law 107-314, established the fund and requires VA and Department of Defense to establish a joint incentive program. In 2014, each Secretary shall contribute a minimum of \$15 million to the fund after the appropriation is enacted.

Object Classification (in millions of dollars)

Identification code 36-0165-0-1-703	2012 actual	2013 CR	2014 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	10	15	15
12.1 Civilian personnel benefits .....		3	3
25.1 Advisory and assistance services .....	43	58	58
26.0 Supplies and materials .....	1	6	6
31.0 Equipment .....	2	9	9
32.0 Land and structures .....	2	3	3
99.9 Total new obligations .....	58	94	94

Employment Summary

Identification code 36-0165-0-1-703	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	151	225	250

MEDICAL FACILITIES

For necessary expenses for the maintenance and operation of hospitals, nursing homes, domiciliary facilities, and other necessary facilities of the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction, and renovation of any facility under the jurisdiction or for the use of the Department; for oversight, engineering, and architectural activities not charged to project costs; for repairing, altering, improving, or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry services, \$4,739,000,000, plus reimbursements, shall become available on October 1, 2014, and shall remain available until September 30, 2015: Provided, That, of the amount made available under this heading, \$250,000,000 shall remain available until September 30, 2016.

Note.—This account receives advance appropriations; a full-year 2013 appropriation for this account was enacted in the Consolidated Appropriations Act, 2012 (P.L. 112-74). The amounts included for 2013 also reflect the annualized level provided by the Continuing Appropriations Resolution, 2013 (P.L. 112-175) as well as amounts from P.L. 113-2, the Disaster Relief Appropriations Act, 2013.

Program and Financing (in millions of dollars)

Identification code 36-0162-0-1-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Ambulatory care .....	1,701	1,942	1,900
0002 Inpatient care .....	712	712	712
0003 Rehabilitation care .....	52	52	52
0004 Mental health care .....	499	499	499
0005 Long-term care .....	390	390	390
0006 Prosthetics care .....	123	123	123
0007 Dental care .....	59	59	59
0008 CHAMPVA and other dependent programs .....	5	6	6
0009 Readjustment counseling .....	25	25	25
0091 Total operating expenses .....	3,566	3,808	3,766
0101 Ambulatory care .....	850	781	514
0102 Inpatient care .....	402	370	244
0103 Rehabilitation care .....	27	25	17
0104 Mental health care .....	282	259	171
0105 Long-term care .....	220	202	133
0106 Prosthetics care .....	10	9	6
0107 Dental care .....	32	29	19
0109 Readjustment counseling .....	3	3	2
0110 Provided by the continuing resolution (P.L. 112-175) .....		252	
0191 Total capital investment .....	1,826	1,930	1,106
0799 Total direct obligations .....	5,392	5,738	4,872
0801 Reimbursable program .....	17	43	25
0900 Total new obligations .....	5,409	5,781	4,897
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	43	39	
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	250	258	250
1120 Appropriations transferred to other accts [36-0169] .....	-37		
1160 Appropriation, discretionary (total) .....	213	258	250
Advance appropriations, discretionary:			
1170 Advance appropriation .....	5,426	5,441	4,872
1173 Advance appropriations permanently reduced .....	-250		-250
1180 Advanced appropriation, discretionary (total) .....	5,176	5,441	4,622
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	18	43	25
1750 Spending auth from offsetting collections, disc (total) .....	18	43	25
1900 Budget authority (total) .....	5,407	5,742	4,897
1930 Total budgetary resources available .....	5,450	5,781	4,897

Memorandum (non-add) entries:			
1940	Unobligated balance expiring .....	-2	
1941	Unexpired unobligated balance, end of year .....	39	
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	3,318	3,247 3,702
3010	Obligations incurred, unexpired accounts .....	5,409	5,781 4,897
3011	Obligations incurred, expired accounts .....	-20	
3020	Outlays (gross) .....	-5,460	-5,326 -4,899
3050	Unpaid obligations, end of year .....	3,247	3,702 3,700
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	3,318	3,247 3,702
3200	Obligated balance, end of year .....	3,247	3,702 3,700
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000	Budget authority, gross .....	5,407	5,742 4,897
Outlays, gross:			
4010	Outlays from new discretionary authority .....	3,358	4,165 3,666
4011	Outlays from discretionary balances .....	2,102	1,161 1,233
4020	Outlays, gross (total) .....	5,460	5,326 4,899
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030	Federal sources .....	-6	-16 -16
4033	Non-Federal sources .....	-12	-27 -9
4040	Offsets against gross budget authority and outlays (total) ....	-18	-43 -25
4070	Budget authority, net (discretionary) .....	5,389	5,699 4,872
4080	Outlays, net (discretionary) .....	5,442	5,283 4,874
4180	Budget authority, net (total) .....	5,389	5,699 4,872
4190	Outlays, net (total) .....	5,442	5,283 4,874

For 2015, the Budget requests advance appropriations of \$4.7 billion for Medical Facilities. This request for advance appropriations fulfills the Administration's commitment to provide reliable and timely resources to support the delivery of accessible and high-quality medical services for veterans.

For Medical Facilities, the Budget reflects the following appropriation funding: the 2013 enacted advance appropriation of \$5.4 billion, augmented by supplemental funding (as provided in P.L. 113-2) and the annualized level provided by the continuing resolution (P.L. 112-175) (see Note below); the 2014 appropriation request of \$4.9 billion; and the 2015 advance appropriation request of \$4.7 billion. Medical Facilities provides for the operations and maintenance of the capital infrastructure required to provide health care to the Nation's veterans. These costs include utilities, engineering, capital planning, leases, laundry services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition.

Note.—The funding level displayed for 2013 shows the enacted advance appropriation augmented by supplemental funding (as provided in P.L. 113-2) and the annualized level provided by the continuing resolution (P.L. 112-175). The annualized level reflects an additional \$252 million in funding. Most of this additional funding is an unintended result of the mechanism by which Congress rescinded a portion of the enacted 2012 advance appropriation and appropriated the same amount with two-year availability. The rescission does not recur as a term and condition under the continuing resolution, but the appropriation does. The additional funding of \$252 million is anticipated to be cancelled upon enactment of either a 2013 full-year continuing resolution or regular appropriation.

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

Identification code 36-0162-0-1-703	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent .....	1,052	1,081 931
11.3	Other than full-time permanent .....	22	21 22

11.5	Other personnel compensation .....	122	126 132
11.9	Total personnel compensation .....	1,196	1,228 1,085
12.1	Civilian personnel benefits .....	390	408 389
13.0	Benefits for former personnel .....	2	2 2
21.0	Employee travel .....	6	6 8
21.0	All other .....	27	27 26
22.0	Transportation of things .....	15	16 17
23.1	Rental payments to GSA .....	26	27 26
23.2	Rental payments to others .....	414	516 509
23.3	Communications, utilities, and miscellaneous charges .....	527	536 573
25.2	Other contractual services .....	648	717 888
26.0	Medical supplies and materials .....	315	325 372
31.0	Equipment .....	127	135 175
32.0	Medical land and structures .....	1,699	1,543 802
92.0	Undistributed - provided by the continuing resolution (P.L. 112-175) .....		252 .....
99.0	Direct obligations .....	5,392	5,738 4,872
99.0	Reimbursable obligations .....	17	43 25
99.9	Total new obligations .....	5,409	5,781 4,897

**Employment Summary**

Identification code 36-0162-0-1-703	2012 actual	2013 CR	2014 est.
1001	Direct civilian full-time equivalent employment .....	22,843	23,678 23,224
2001	Reimbursable civilian full-time equivalent employment .....	478	490 490

**MEDICAL AND PROSTHETIC RESEARCH**

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by chapter 73 of title 38, United States Code, \$585,664,000, plus reimbursements, shall remain available until September 30, 2015.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 36-0161-0-1-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001	Bio-medical laboratory science research .....	270	286 271
0002	Rehabilitation research .....	85	101 95
0003	Health services research .....	80	96 90
0004	Clinical science research .....	96	127 116
0091	Total operating expenses .....	531	610 572
0101	Bio-medical laboratory science research .....	12	15 12
0102	Rehabilitation research .....	3	3 3
0103	Health services research .....	1	1 1
0104	Clinical science research .....	3	3 3
0191	Total capital investment .....	19	22 19
0799	Total direct obligations .....	550	632 591
0801	Reimbursable program .....	30	35 35
0900	Total new obligations .....	580	667 626
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1 .....	72	103 56
Budget authority:			
Appropriations, discretionary:			
1100	Appropriation .....	581	585 586
1160	Appropriation, discretionary (total) .....	581	585 586
Spending authority from offsetting collections, discretionary:			
1700	Collected .....	31	35 35
1750	Spending auth from offsetting collections, disc (total) .....	31	35 35
1900	Budget authority (total) .....	612	620 621
1930	Total budgetary resources available .....	684	723 677
Memorandum (non-add) entries:			
1940	Unobligated balance expiring .....	-1	
1941	Unexpired unobligated balance, end of year .....	103	56 51

MEDICAL AND PROSTHETIC RESEARCH—Continued  
Program and Financing—Continued

Identification code 36-0161-0-1-703	2012 actual	2013 CR	2014 est.
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	253	211	268
3010 Obligations incurred, unexpired accounts .....	580	667	626
3011 Obligations incurred, expired accounts .....	-7		
3020 Outlays (gross) .....	-615	-610	-611
3050 Unpaid obligations, end of year .....	211	268	283
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	253	211	268
3200 Obligated balance, end of year .....	211	268	283
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	612	620	621
Outlays, gross:			
4010 Outlays from new discretionary authority .....	363	441	442
4011 Outlays from discretionary balances .....	252	169	169
4020 Outlays, gross (total) .....	615	610	611
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-19	-35	-35
4033 Non-Federal sources .....	-12		
4040 Offsets against gross budget authority and outlays (total) ...	-31	-35	-35
4070 Budget authority, net (discretionary) .....	581	585	586
4080 Outlays, net (discretionary) .....	584	575	576
4180 Budget authority, net (total) .....	581	585	586
4190 Outlays, net (total) .....	584	575	576

For 2014, the total budgetary resources of \$1.9 billion is comprised of \$586 million in direct appropriations, \$586 million in medical care support, and \$710 million in Federal and private sector grants. The research program will support 3,491 full time equivalents through direct appropriation.

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

High-priority research programs in 2014 will emphasize the critical needs of our newest veterans, specifically those from Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn (OEF)/(OIF)/(OND), while continuing to address the special and unique health care needs of all veterans. In reflecting VA's commitment to maintain a research program supporting the world-class medical care our veterans deserve, VA research will increase its emphasis on critical areas that will impact VA for years to come: pain, traumatic brain injury, military occupational exposures, post-traumatic stress disorder (PTSD), suicide, patient centered care, complementary/alternative medicine, health care efficiency, women veterans, and homelessness.

Homelessness is a top priority for VA, and research will focus on interventions, risk factors and health care usage patterns in an effort to eliminate homelessness. Access to care is closely related to homelessness, and one of the critical missions of VA research is to identify system-wide gaps in veterans' health care. VA research has demonstrated an explicit focus on access to care as a component of validating the quality of care in all VA health care services, organizational structures, and mechanisms for

delivering care. Current studies address new telemedicine and telehealth initiatives, community based outpatient clinics (CBOCs), collaborative care models, access for OEF/OIF/OND veterans, and access to specialized care such as VA rehabilitation services.

Emphasis will also be placed on personalized medicine where using information on a patients' genetic make-up can lead to a more tailored, precise, and effective level of care. The Million Veteran Program (MVP), with the goal of collecting one million genetic samples, will continue to be a significant undertaking in 2014 as VA investigates whether genetic influences in disease and/or responses to medications can be used to further advance personalized care with the ultimate goal to develop an evidence base for treatments that are optimized to each veteran's genetic makeup. Protocols are under development to use information from MVP to clarify biological pathways associated with PTSD; other efforts are targeting schizophrenia, bipolar disorder, and amyotrophic lateral sclerosis (Lou Gehrig's disease).

The reach and scope of VA research is further expanded by collaborations with other Federal agencies, academic medical centers, nonprofit organizations, and commercial entities nationwide. Through VA's academic affiliations, as well as collaborations with other Federal agencies, VA research is fully integrated with the larger biomedical research community.

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

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

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

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

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

VA's Medical and Prosthetic Research programs are included in the Federal Research and Development (R&D) budget.

SUMMARY OF PROGRAM RESOURCES

	[in millions of dollars]		
	2012 actual	2013 est.	2014 est.
Medical and prosthetic research appropriation .....	581	585	586
Federal resources (includes VA Medical Care support funding) .....	1,096	1,100	1,101
Other non-federal resources .....	195	195	195
Total program resources .....	1,872	1,880	1,882

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	171	187	186
11.3 Other than full-time permanent .....	11	15	15
11.5 Other personnel compensation .....	33	40	40
11.9 Total personnel compensation .....	215	242	241
12.1 Civilian personnel benefits .....	80	85	86
21.0 Employee travel .....	6	6	5
23.1 Rental payments to GSA .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges .....	1	3	3
24.0 Printing and reproduction .....	1	1	1
25.2 Other services from non-Federal sources .....	189	206	181
26.0 Supplies and materials .....	40	36	34

31.0	Equipment .....	16	50	37
99.0	Direct obligations .....	550	632	591
99.0	Reimbursable obligations .....	30	35	35
99.9	Total new obligations .....	580	667	626

**Employment Summary**

Identification code 36-0161-0-1-703	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	3,015	3,045	3,010
2001 Reimbursable civilian full-time equivalent employment .....	481	481	481

**JOINT DEPARTMENT OF DEFENSE-DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITY DEMONSTRATION FUND**

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

Identification code 36-0169-0-1-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Direct program activity .....	370		
0801 Reimbursable program activity .....	9		
0900 Total new obligations .....	379		
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	2	8	8
Budget authority:			
Appropriations, discretionary:			
1121 Appropriations transferred from other accts [36-0162] ...	37		
1121 Appropriations transferred from other accts [36-0152] ...	24		
1121 Appropriations transferred from other accts [36-0160] ...	173		
1121 Appropriations transferred from other accts [36-0167] ...	7		
1121 Appropriations transferred from other accts [97-0130] ...	119		
1121 Appropriations transferred from other accts [36-5287] ...	16		
1160 Appropriation, discretionary (total) .....	376		
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	9		
1750 Spending auth from offsetting collections, disc (total) .....	9		
1900 Budget authority (total) .....	385		
1930 Total budgetary resources available .....	387	8	8
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	8	8	8

**Change in obligated balance:**

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	37	65	30
3010 Obligations incurred, unexpired accounts .....	379		
3020 Outlays (gross) .....	-351	-35	-4
3050 Unpaid obligations, end of year .....	65	30	26
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	37	65	30
3200 Obligated balance, end of year .....	65	30	26

**Budget authority and outlays, net:**

Discretionary:			
4000 Budget authority, gross .....	385		
Outlays, gross:			
4010 Outlays from new discretionary authority .....	317		
4011 Outlays from discretionary balances .....	34	35	4
4020 Outlays, gross (total) .....	351	35	4
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-7		
4033 Non-Federal sources .....	-2		
4040 Offsets against gross budget authority and outlays (total) ...	-9		
4070 Budget authority, net (discretionary) .....	376		
4080 Outlays, net (discretionary) .....	342	35	4
4180 Budget authority, net (total) .....	376		
4190 Outlays, net (total) .....	342	35	4

The Department of Veterans Affairs (VA) and the Department of Defense (DOD) intend to contribute 2013 and 2014 funding to the Joint Department of Defense-Department of Veterans Affairs

Medical Facility Demonstration Fund, established by section 1704 of Public Law 111-84, the National Defense Authorization Act for Fiscal Year 2010. This funding will support the continuing operations of the Captain James A. Lovell Federal Health Care Center (FHCC), which opened on December 20, 2010. Specifically, VA and DOD anticipate transferring a total of \$383 million (\$247.4 million from VA and \$135.6 million from DOD) to the Joint Fund for 2013, as authorized by the Continuing Appropriations Resolution, 2013 (P.L. 112-175). In 2013, VA expects to transfer funds from the Medical Services, Medical Support and Compliance, Medical Facilities, and Information Technology Systems accounts, while DOD expects to transfer funds from the Defense Health Program account. VA and DOD also expect to transfer 2014 funds from these accounts to support FHCC operations. VA and DOD anticipate supporting over 2,000 full time equivalent employees in both 2013 and 2014.

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

Identification code 36-0169-0-1-703	2012 actual	2013 CR	2014 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	160		
12.1 Civilian personnel benefits .....	45		
25.1 Advisory and assistance services .....	53		
26.0 Supplies and materials .....	71		
31.0 Equipment .....	13		
32.0 Land and structures .....	28		
99.0 Direct obligations .....	370		
99.0 Reimbursable obligations .....	9		
99.9 Total new obligations .....	379		

**Employment Summary**

Identification code 36-0169-0-1-703	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	1,957		

**MEDICAL CARE COLLECTIONS FUND**

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

Identification code 36-5287-0-2-703	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1101 Appropriation (special or trust fund) .....	2,830	2,841	2,935
1120 Appropriations transferred to other accts [36-0160] .....	-2,814	-2,841	-2,935
1120 Appropriations transferred to other accts [36-0169] .....	-16		

VA has the authority to collect co-payments which are deposited into the Medical Care Collections Fund (MCCF) receipt account. As allowed by the provisions of the appropriations Act, these receipts are transferred to the Medical Services appropriation and the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund (Joint Demonstration Fund) where they remain available until expended for the purposes of this account. In 2012, \$2.8 billion was collected in the MCCF receipt account and transferred to the Medical Services appropriation and Joint Demonstration Fund to provide health care to our veterans. These collections consist of co-payments from veterans for inpatient, outpatient, and nursing home care, and prescribed medications; third-party insurance payments from veterans for nonservice-connected conditions; and collections from enhanced-use leases, the Compensated Work Therapy Program,

**MEDICAL CARE COLLECTIONS FUND—Continued**  
**Compensation and Living Expensed Program, and the Parking Program.**

**MEDICAL CARE COLLECTIONS FUND**  
(Legislative proposal, not subject to PAYGO)

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

Identification code 36-5287-2-2-703	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1101			129
1120			-129

VA is proposing to increase the Department's ability to bill private insurers for care provided to treat nonservice-connected conditions. The proposals would allow VA to be considered as a participating provider for purposes of reimbursement and would allow for disclosure of health care information for billing purposes to be consistent with the use of this information for treatment purposes (subject to all applicable privacy laws and regulations).

**CANTEEN SERVICE REVOLVING FUND**

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

Identification code 36-4014-0-3-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801	219	245	273
0802	114	167	171
0810	18	21	1
0900	351	433	445
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	2	16	21
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800	365	435	447
1801	3	3	3
1850	365	438	450
1930	367	454	471
Memorandum (non-add) entries:			
1941	16	21	26
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	4	11	6
3010	351	433	445
3020	-344	-438	-450
3050	11	6	1
Uncollected payments:			
3060	-3	-3	-6
3070	-3	-3	-3
3090	-3	-6	-9
Memorandum (non-add) entries:			
3100	1	8	.....
3200	8	.....	-8
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090	365	438	450
Outlays, gross:			
4100	338	433	445
4101	6	5	5
4110	344	438	450
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120	.....	-1	-1
4123	-365	-434	-446

4130	Offsets against gross budget authority and outlays (total) ....	-365	-435	-447
Additional offsets against gross budget authority only:				
4140	Change in uncollected pymts, Fed sources, unexpired .....	.....	-3	-3
4170	Outlays, net (mandatory) .....	-21	3	3
4190	Outlays, net (total) .....	-21	3	3

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

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

Identification code 36-4014-0-3-705	2012 actual	2013 CR	2014 est.
<b>Reimbursable obligations:</b>			
Personnel compensation:			
11.1	136	139	143
11.3	1	1	1
11.9	137	140	144
12.1	3	4	5
21.0	4	5	4
25.2	6	6	6
26.0	200	257	285
31.0	1	21	1
99.9	351	433	445

**Employment Summary**

Identification code 36-4014-0-3-705	2012 actual	2013 CR	2014 est.
2001	3,294	3,500	3,550

**MEDICAL CENTER RESEARCH ORGANIZATIONS**

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

Identification code 36-4026-0-3-703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801	244	285	298
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	.....	6	6
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800	250	285	298
1850	250	285	298
1930	250	291	304
Memorandum (non-add) entries:			
1941	6	6	6
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	6	.....	.....
3010	244	285	298
3020	-250	-285	-298
Memorandum (non-add) entries:			
3100	6	.....	.....
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090	250	285	298
Outlays, gross:			
4100	244	285	298
4101	6	.....	.....
4110	250	285	298
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123	-250	-285	-298

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	2012 actual	2013 CR	2014 est.
Reimbursable obligations:			
21.0 Travel and transportation of persons .....	7	9	9
25.2 Other services from non-Federal sources .....	211	245	256
26.0 Supplies and materials .....	18	22	24
31.0 Equipment .....	8	9	9
99.9 Total new obligations .....	244	285	298

**Trust Funds**

**GENERAL POST FUND, NATIONAL HOMES**

**Special and Trust Fund Receipts** (in millions of dollars)

Identification code 36-8180-0-7-705	2012 actual	2013 CR	2014 est.
0100 Balance, start of year .....			3
Receipts:			
0220 General Post Fund, National Homes, Deposits .....	24	28	29
0240 General Post Fund, National Homes, Interest on Investments .....	2	2	2
0299 Total receipts and collections .....	26	30	31
0400 Total: Balances and collections .....	26	30	34
Appropriations:			
0500 General Post Fund, National Homes .....	-26	-27	-28
0799 Balance, end of year .....		3	6

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

Identification code 36-8180-0-7-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Religious, recreational, and entertainment activities .....	23	23	24
0003 Therapeutic residence maintenance .....		1	1
0900 Total new obligations .....	23	24	25
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	80	83	86
Budget authority:			
Appropriations, mandatory:			
1201 Appropriation (special or trust fund) .....	26	27	28
1260 Appropriations, mandatory (total) .....	26	27	28
1930 Total budgetary resources available .....	106	110	114
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	83	86	89
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	4	3	2
3010 Obligations incurred, unexpired accounts .....	23	24	25
3020 Outlays (gross) .....	-24	-25	-26
3050 Unpaid obligations, end of year .....	3	2	1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	4	3	2
3200 Obligated balance, end of year .....	3	2	1
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	26	27	28
Outlays, gross:			
4100 Outlays from new mandatory authority .....		24	25
4101 Outlays from mandatory balances .....	24	1	1
4110 Outlays, gross (total) .....	24	25	26
4180 Budget authority, net (total) .....	26	27	28
4190 Outlays, net (total) .....	24	25	26
<b>Memorandum (non-add) entries:</b>			
5000 Total investments, SOY: Federal securities: Par value .....	81	63	45
5001 Total investments, EOY: Federal securities: Par value .....	63	45	25

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

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

Identification code 36-8180-0-7-705	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	9	9	9
26.0 Supplies and materials .....	12	13	13
31.0 Equipment .....	2	2	2
32.0 Land and structures .....			1
99.9 Total new obligations .....	23	24	25

**BENEFITS PROGRAMS**

**Federal Funds**

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

*For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by section 107 and chapters 11, 13, 18, 51, 53, 55, and 61 of title 38, United States Code; pension benefits to or on behalf of veterans as authorized by chapters 15, 51, 53, 55, and 61 of title 38, United States Code; and burial benefits, the Reinstated Entitlement Program for Survivors, emergency and other of officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of title IV of the Servicemembers Civil Relief Act (50 U.S.C. App. 541 et seq.) and for other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code, \$71,248,171,000, to remain available until expended: Provided, That not to exceed \$9,232,000 of the amount appropriated under this heading shall be reimbursed to "General operating expenses, Veterans Benefits Administration", "Medical support and compliance", and "Information technology systems" for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the "Compensation and pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical care collections fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 36-0102-0-1-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0101 Veterans .....	48,002	54,536	58,641
0102 Survivors .....	5,755	6,064	6,432
0191 Compensation sub-total .....	53,757	60,600	65,073
0200 Other compensation expenses .....	53,757	60,600	65,073
0201 Chapter 18 .....	21	22	22
0202 Clothing allowance .....	82	92	99
0203 Misc assistance (EAJ, SAFD) .....	11	12	12
0204 Medical exam pilot program .....	206	248	229
0205 OBRA payment to VBA and IT .....	2	2	2

COMPENSATION AND PENSIONS—Continued  
Program and Financing—Continued

Identification code 36-0102-0-1-701	2012 actual	2013 CR	2014 est.
0206 Reinstated entitlement program for survivors .....	4	6	4
0291 Total other compensation expenses .....	326	382	368
0293 Total compensation .....	54,083	60,982	65,441
0302 Veterans .....	3,478	3,671	3,849
0303 Survivors .....	1,414	1,557	1,725
0391 Pensions sub total .....	4,892	5,228	5,574
0401 Reimbursements to GOE, IT and VHA .....	25	10	10
0492 Total pensions .....	4,917	5,238	5,584
0502 Burial allowance .....	22	30	31
0503 Burial plots .....	9	17	18
0504 Service-connected deaths .....	41	49	52
0505 Burial flags .....	18	20	21
0506 Headstones and markers .....	62	72	77
0508 Graveliners .....	4	9	9
0509 Pre-Placed Crypts .....	11	9	14
0591 Total burial program .....	167	206	222
0900 Total new obligations (object class 42.0) .....	59,167	66,426	71,247

**Budgetary Resources:**

1000 Unobligated balance brought forward, Oct 1 .....	12,930	5,001	.....
<b>Budget authority:</b>			
<b>Appropriations, mandatory:</b>			
1200 Appropriation .....	51,238	60,600	71,247
1221 Appropriations transferred from other accts [36-0137] .....	.....	825	.....
1260 Appropriations, mandatory (total) .....	51,238	61,425	71,247
1930 Total budgetary resources available .....	64,168	66,426	71,247
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	5,001	.....	.....

**Change in obligated balance:**

<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	278	4,691	4,921
3010 Obligations incurred, unexpired accounts .....	59,167	66,426	71,247
3020 Outlays (gross) .....	-54,754	-66,196	-71,003
3050 Unpaid obligations, end of year .....	4,691	4,921	5,165
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	278	4,691	4,921
3200 Obligated balance, end of year .....	4,691	4,921	5,165

**Budget authority and outlays, net:**

<b>Mandatory:</b>			
4090 Budget authority, gross .....	51,238	61,425	71,247
<b>Outlays, gross:</b>			
4100 Outlays from new mandatory authority .....	41,545	56,503	66,083
4101 Outlays from mandatory balances .....	13,209	9,693	4,920
4110 Outlays, gross (total) .....	54,754	66,196	71,003
4180 Budget authority, net (total) .....	51,238	61,425	71,247
4190 Outlays, net (total) .....	54,754	66,196	71,003

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

	2012 actual	2013 CR	2014 est.
<b>Enacted/requested:</b>			
Budget Authority .....	51,238	61,425	71,247
Outlays .....	54,754	66,196	71,003
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....	.....	.....	-39
Outlays .....	.....	.....	-39
<b>Total:</b>			
Budget Authority .....	51,238	61,425	71,208
Outlays .....	54,754	66,196	70,964

WORKLOAD

	2012 actual	2013 est	2014 est.
<b>Compensation:</b>			
Rating-Related Actions .....	895,000	1,131,469	1,323,461
Non Rating Actions .....	332,438	389,349	427,024
<b>Pension:</b>			
Rating-Related Actions .....	100,841	105,548	110,403
Non Rating Actions .....	489,887	487,041	490,464

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

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

Miscellaneous benefits provided for are:

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

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

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

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

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

Legislation is proposed to provide a cost-of-living adjustment comparable to the annual social security increase to recipients of disability compensation, dependency and indemnity compensation, and clothing allowances. The increase, effective with payments made on January 1, 2014, is expected to be 2.2 percent.

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

	2012 actual	2013 est	2014 est.
<b>Veterans:</b>			
Cases .....	3,440,255	3,648,314	3,846,018
Average payment per case, per year .....	\$13,953	\$14,949	\$15,247
Total obligations (in millions) .....	\$48,002	\$54,537	\$58,641
<b>Survivors:</b>			
Cases .....	348,499	355,226	364,564
Average payment per case, per year .....	\$16,515	\$17,070	\$17,643
Total obligations (in millions) .....	\$5,755	\$6,064	\$6,432
<b>Chapter 18:</b>			
Children .....	1,184	1,195	1,206
Average payment per case, per year .....	\$17,736	\$18,037	\$18,434
Total obligations (in millions) .....	\$21	\$22	\$22
<b>Clothing allowance:</b>			
Number of veterans .....	110,414	117,092	123,437
Average payment per case, per year .....	\$741	\$784	\$800
Total obligations (in millions) .....	\$82	\$92	\$99
<b>Other compensation caseload:</b>			
Other compensation caseload: .....	50	50	50
Equal Access to Justice payments .....	2,140	2,140	2,140
<b>REPS:</b>			
Cases .....	214	183	181
Average benefit .....	\$20,125	\$32,679	\$23,085
Obligations (in millions) .....	\$4	\$6	\$4

Pension benefits may be paid to veterans or their survivors. A veteran's entitlement is based on active duty service of a specific length (normally 90 days or more) during a designated war period, disabilities considered permanent and total, and countable

income below established levels. There is no disability requirement for survivor cases or veterans age 65 or older. Income support is provided at established benefit levels.

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2014, is expected to be 2.2 percent.

**AVERAGE NUMBER OF PENSION CASES AND PAYMENTS**

	2012 actual	2013 est.	2014 est.
<b>Veterans:</b>			
Cases .....	314,072	313,794	314,706
Average payment per case, per year .....	\$11,077	\$11,700	\$12,232
<b>Total obligations (in millions) .....</b>	<b>\$3,479</b>	<b>\$3,671</b>	<b>\$3,849</b>
<b>Survivors:</b>			
Cases .....	203,996	202,448	202,226
Average payment per case, per year .....	\$6,930	\$7,689	\$8,532
<b>Total obligations (in millions) .....</b>	<b>\$1,414</b>	<b>\$1,557</b>	<b>\$1,725</b>

Burial benefits provide for: (a) the payment of an allowance of \$724 (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 \$724 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to \$2,000 when a veteran dies as a result of a service-connected disability; (d) furnishing a flag to drape the casket of each deceased veteran entitled thereto; (e) furnishing a headstone or marker for the grave of a veteran and, in certain cases, eligible dependents; and (f) authority to provide outer burial receptacles in the National Cemetery Administration.

**NUMBER OF BURIAL BENEFITS**

	2012 actual	2013 est.	2014 est.
Burial allowance .....	43,994	47,294	49,221
Burial plot .....	22,826	24,538	25,538
Service-connected deaths .....	22,295	24,639	26,091
Burial flags .....	477,942	500,002	500,002
Headstones and markers .....	352,365	349,171	344,826
Graveliners .....	26,732	27,814	27,428
Preplaced crypts .....	16,791	24,000	36,080

**COMPENSATION AND PENSIONS**

(Legislative proposal, subject to PAYGO)

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

Identification code 36-0102-4-1-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0101 Extend round-down of COLA .....			-42
0506 Expand burial benefits .....			3
0900 Total new obligations (object class 42.0) .....			-39
<b>Budgetary Resources:</b>			
<b>Budget authority:</b>			
Appropriations, mandatory:			
1200 Appropriation .....			-39
1260 Appropriations, mandatory (total) .....			-39
1930 Total budgetary resources available .....			-39
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			-39
3020 Outlays (gross) .....			39
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....			-39
Outlays, gross:			
4100 Outlays from new mandatory authority .....			-39

4180 Budget authority, net (total) .....	-39
4190 Outlays, net (total) .....	-39

Legislation will be proposed to extend the rounding-down of the Compensation and Dependency and Indemnification Compensation (DIC) cost of living adjustment, expand eligibility for veterans medallion for headstones, allow for Government-furnished headstones, expand authority to provide headstones and markers at tribal veterans cemeteries, provide burial receptacles for certain new casketed gravesites, and cover burial expenses for remains of unclaimed veterans.

**READJUSTMENT BENEFITS**

*For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by chapters 21, 30, 31, 33, 34, 35, 36, 39, 41, 51, 53, 55, and 61 of title 38, United States Code, and for the payment of benefits under the Veterans Retraining Assistance Program, \$13,135,898,000, to remain available until expended: Provided, That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under subsection (a) of section 3104 of title 38, United States Code, other than under paragraphs (1), (2), (5), and (11) of that subsection, shall be charged to this account.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 36-0137-0-1-702	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0101 Sons and daughters .....	393	421	454
0102 Spouses .....	62	66	70
0191 Total education and training .....	455	487	524
0201 Vocational rehabilitation training .....	489	535	574
0202 Subsistence allowance .....	302	386	439
0203 Automobiles and adaptive equipment .....	110	117	123
0204 Housing grants .....	59	128	78
0205 Housing Technology Grants .....		1	1
0291 Total special assistance to disabled veterans .....	960	1,167	1,215
0301 Work study .....	35	39	48
0302 Payments to States .....	19	19	19
0303 All-volunteer assistance: Basic benefits and all other .....	9,277	10,337	11,384
0304 Veterans Retraining Assistance Program .....	6	1,101	498
0305 Tuition Assistance .....	10	8	7
0306 Licensing and Certification .....	2	2	2
0307 Reporting fees .....	11	13	13
0308 Reimbursement to GOE .....		5	1
0391 Total All-volunteer assistance and other .....	9,360	11,524	11,972
0799 Total direct obligations .....	10,775	13,178	13,711
0801 Veterans and servicepersons basic benefits .....	1	2	1
0802 Veterans and servicepersons supplementary benefits .....	130	105	106
0803 Chapter 1606 reservists benefits .....	97	100	97
0804 Chapter 1606 reservists supplementary benefits .....	60	61	60
0805 Chapter 1607 reservists benefits .....	77	54	40
0899 Total reimbursable obligations .....	365	322	304
0900 Total new obligations .....	11,140	13,500	14,015
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1,221	2,554	575
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....	12,108	12,024	13,136
1220 Appropriations transferred to other accts [36-0102] .....		-825	
1260 Appropriations, mandatory (total) .....	12,108	11,199	13,136
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	365	322	304
1850 Spending auth from offsetting collections, mand (total) .....	365	322	304
1900 Budget authority (total) .....	12,473	11,521	13,440
1930 Total budgetary resources available .....	13,694	14,075	14,015

READJUSTMENT BENEFITS—Continued  
Program and Financing—Continued

Identification code 36-0137-0-1-702	2012 actual	2013 CR	2014 est.
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	2,554	575	.....
<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	101	546	585
3010 Obligations incurred, unexpired accounts .....	11,140	13,500	14,015
3020 Outlays (gross) .....	-10,695	-13,461	-13,978
3050 Unpaid obligations, end of year .....	546	585	622
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	101	546	585
3200 Obligated balance, end of year .....	546	585	622
<b>Budget authority and outlays, net:</b>			
<b>Mandatory:</b>			
4090 Budget authority, gross .....	12,473	11,521	13,440
<b>Outlays, gross:</b>			
4100 Outlays from new mandatory authority .....	9,374	10,361	12,819
4101 Outlays from mandatory balances .....	1,321	3,100	1,159
4110 Outlays, gross (total) .....	10,695	13,461	13,978
<b>Offsets against gross budget authority and outlays:</b>			
<b>Offsetting collections (collected) from:</b>			
4120 Federal sources .....	-365	-322	-304
4180 Budget authority, net (total) .....	12,108	11,199	13,136
4190 Outlays, net (total) .....	10,330	13,139	13,674

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

	2012 actual	2013 CR	2014 est.
<b>Enacted/requested:</b>			
Budget Authority .....	12,108	11,199	13,136
Outlays .....	10,330	13,139	13,674
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....	.....	.....	12
Outlays .....	.....	.....	12
<b>Total:</b>			
Budget Authority .....	12,108	11,199	13,148
Outlays .....	10,330	13,139	13,686

WORKLOAD - Vocational Rehabilitation and Employment

	2012 actual	2013 est.	2014 est.
Evaluation and planning .....	77,944	78,723	79,511
Rehabilitation services .....	97,471	98,446	99,430
Employment services status .....	19,470	19,665	19,861
Vocational/educational counseling .....	24,077	24,318	24,561

WORKLOAD - Education

	2012 actual	2013 est.	2014 est.
Original claims .....	493,696	562,800	599,382
Adjustments/supplemental claims .....	3,028,396	3,457,200	3,681,918

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

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

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

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

*The Veterans Retraining Assistance Program,* established under Public Law 112-56, is a program that, from July 1, 2012 through March 31, 2014, provides up to 12 months of retraining assistance to veterans at least 35 years of age but not more than 60 years of age, who are unemployed, received an honorable discharge and have no eligibility remaining for other education benefits. Veterans participating in this program would receive monthly payments equal to the three-year payment rate under the Montgomery GI Bill (MGIB) chapter 30 program.

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

CASELOAD AND AVERAGE COST DATA

	2012 actual	2013 est.	2014 est.
<b>Chapter 33:</b>			
Number of trainees .....	646,302	710,932	764,252
Average cost per trainee .....	\$13,080	\$13,628	\$14,249
Total cost (in millions) .....	\$8,453	\$9,689	\$10,890
<b>Chapter 30:</b>			
Number of trainees .....	128,432	96,727	72,870
Average cost per trainee .....	\$7,860	\$8,170	\$8,866
Total cost (in millions) .....	\$932	\$727	\$592
<b>Chapter 1606:</b>			
Number of trainees .....	60,393	59,292	54,934
Average cost per trainee .....	\$2,564	\$2,682	\$2,824
Total cost (in millions) .....	\$155	\$159	\$155
<b>Chapter 1607:</b>			
Number of trainees .....	19,774	13,336	9,222
Average cost per trainee .....	\$3,893	\$4,073	\$4,288
Total cost (in millions) .....	\$77	\$54	\$40
<b>Chapter 35 Sons and Daughters:</b>			
Number of trainees .....	73,102	74,801	76,540
Average cost per trainee (in dollars) .....	\$5,380	\$5,628	\$5,925
Total cost (in millions) .....	\$393	\$421	\$454
<b>Chapter 35 Wives and Widow(ers):</b>			
Chapter 35 Wives and Widow(ers) .....	14,605	14,818	15,034
Average cost per trainee (in dollars) .....	\$4,245	\$4,438	\$4,672
Total cost (in millions) .....	\$62	\$66	\$70

Veterans Retraining Assistance Program:			
Number of trainees .....	12,251	99,000	54,000
Average cost per trainee .....	\$501	\$11,118	\$9,231
Total cost (in millions) .....	\$6	\$1,101	\$498

*Vocational Rehabilitation and Employment (Chapter 31).*—Servicemembers and veterans with service-connected disabilities receive the assistance necessary to help them prepare for, obtain, and maintain suitable employment. Comprehensive assessments may include interest and aptitude testing as well as specialized assessments such as functional capacity examinations. During the training phase of the program, eligible servicemembers and veterans are provided assistance for necessary training such as tuition, fees, books and supplies at colleges, technical schools and other training programs. A veteran enrolled in training receives a monthly subsistence allowance. Eligible veterans may also receive specialized or adaptive equipment to help them overcome a disability or enable them to compete with non-disabled individuals. At the completion of training, veterans are provided with employment and placement services, including supplies and equipment needed to enter employment, adaptive equipment and workplace accommodations, incentives to employers to reimburse them for hiring and training veterans with disabilities, and two final months of subsistence allowance.

**CASELOAD AND AVERAGE COST DATA**

Chapter 31:	2012 actual	2013 est.	2014 est.
Rehabilitation, Evaluation, Planning and Service cases .....	28,850	30,287	31,195
Number of trainees .....	85,431	89,708	92,399
Average cost per trainee (in dollars) .....	\$9,255	\$10,268	\$10,960
Total cost (in millions) .....	\$791	\$921	\$1,013

*Specially Adapted Housing Grants.*—Specially adapted housing grants are provided to certain severely disabled veterans. In 2012, the maximum grant amount was \$63,870 and is projected to increase, based on a cost of construction index, to \$66,538 in 2014. Veterans who suffer service-connected blindness or who have lost the use of both upper extremities can receive up to \$12,756 in 2012. The maximum grant amount is projected to increase to \$13,308 in 2014.

*Specially Adapted Housing Assistive Technology Grants.*—Under the Veterans Benefits Act of 2010, (Public Law 111–275), VA may provide grants of up to \$200,000 per fiscal year to individuals or entities for the development of specially adapted housing assistive technologies and limits to \$1 million the aggregate amount of such grants VA may award in any fiscal year.

*Automobile Grants and Adaptive Equipment.*—Certain disabled veterans are provided with automobile grants with the associated approved adaptive equipment. An allowance is provided to certain service-disabled veterans and servicepersons toward the purchase price of an automobile. The maximum allowance increased to \$18,900 in 2012, under The Veterans Benefits Act of 2010, (Public Law 111–275) and will continue to increase based on the CPI-U. The maximum grant amount is projected to increase to \$19,664 in 2014. Adaptive equipment and the maintenance and replacement of such equipment is also provided.

**CASELOAD AND AVERAGE COST DATA**

Housing grants:	2012 actual	2013 est.	2014 est.
Number of housing grants .....	1,501	3,617	2,469
Average cost per grant .....	\$39,321	\$35,336	\$31,601
Total cost (in millions) .....	\$59	\$128	\$78
Number of housing technology grants .....	0	5	5

Average cost per grant .....	\$0	\$200,000	\$200,000
Total cost (in millions) .....	\$0	\$1	\$1
Automobiles or other conveyances:			
Number of conveyances .....	2,511	2,531	2,531
Average benefit .....	\$16,732	\$17,067	\$17,408
Obligations (in millions) .....	\$42	\$43	\$44
Adaptive equipment (including maintenance, repair, and installation for automobiles):			
Number of items .....	7,816	7,816	7,816
Average benefit .....	\$8,732	\$9,386	\$10,088
Obligations (in millions) .....	\$68	\$73	\$79

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

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

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

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

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

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

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

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

Identification code 36–0137–0–1–702	2012 actual	2013 CR	2014 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	10,775	13,178	13,711
99.0 Reimbursable obligations .....	365	322	304

READJUSTMENT BENEFITS—Continued  
Object Classification—Continued

Identification code 36-0137-0-1-702	2012 actual	2013 CR	2014 est.
99.9 Total new obligations .....	11,140	13,500	14,015

READJUSTMENT BENEFITS  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0137-4-1-702	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0201 Increase funding limitation for contracted counseling .....			1
0202 Extend round-down of COLA .....			-1
0203 Extend authorization for work-study activities .....			1
0204 Improve Housing Grant Program .....			11
0393 Total Readjustment benefits direct program .....			12
0900 Total new obligations (object class 41.0) .....			12

<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....			12
1260 Appropriations, mandatory (total) .....			12
1900 Budget authority (total) .....			12
1930 Total budgetary resources available .....			12

<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....			12
3020 Outlays (gross) .....			-12

<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....			12
Outlays, gross:			
4100 Outlays from new mandatory authority .....			12
4180 Budget authority, net (total) .....			12
4190 Outlays, net (total) .....			12

Legislation will be proposed to: extend rounding-down of education COLA through 2018; extend the pilot expansion of certain Work-study activities; increase the cap on contract vocational rehabilitation counseling; increase the limitation on new independent living cases; exclude temporary residence adaptation (TRA) grants from the specially adapted housing (SAH) grant limit; replace the SAH program's grant limit with limits to grant type; restore eligibility for housing adaptation; provide SAH grants to veterans living with family; provide refunds for the Montgomery GI Bill buy-up program.

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 chapters 19 and 21, title 38, United States Code, \$77,567,000, to remain available until expended.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0010 VMLI death claims .....	23	23	23
0012 Payment to service-disabled veterans insurance .....	81	86	58

0100 Total direct expenses .....	104	109	81
0900 Total new obligations .....	104	109	81

<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1	1	1
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation .....	100	105	77
1260 Appropriations, mandatory (total) .....	100	105	77
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	4	4	4
1850 Spending auth from offsetting collections, mand (total) .....	4	4	4
1900 Budget authority (total) .....	104	109	81
1930 Total budgetary resources available .....	105	110	82
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1	1	1

<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1	1	
3010 Obligations incurred, unexpired accounts .....	104	109	81
3020 Outlays (gross) .....	-104	-110	-81
3050 Unpaid obligations, end of year .....	1		
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1	1	
3200 Obligated balance, end of year .....	1		

<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	104	109	81
Outlays, gross:			
4100 Outlays from new mandatory authority .....	104	109	81
4101 Outlays from mandatory balances .....		1	
4110 Outlays, gross (total) .....	104	110	81
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123 Non-Federal sources .....	-4	-4	-4
4180 Budget authority, net (total) .....	100	105	77
4190 Outlays, net (total) .....	100	106	77

WORKLOAD

	2012 actual	2013 est.	2014 est.
Policy service actions .....	941,142	908,140	874,246
Collections .....	919,415	844,200	770,600
Disability claims .....	44,695	58,380	58,310
Insurance awards .....	247,510	250,260	237,200

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

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

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

Payment to Service-Disabled Veterans Insurance Fund.—Payments are made to the S-DVI fund to supplement the premiums and other receipts of the fund in amounts necessary to pay claims

on insurance policies issued to veterans with service-connected disabilities.

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

**POLICIES AND INSURANCE IN FORCE**

VMLI Policies	2012 actual	2013 est.	2014 est.
Number of Policies .....	2,466	2,390	2,390
Amount of Insurance (dollars in millions) .....	\$299	\$313	\$327

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

Identification code 36-0120-0-1-701	2012 actual	2013 CR	2014 est.
42.0 Direct obligations: Insurance claims and indemnities .....	100	105	77
99.0 Reimbursable obligations .....	4	4	4
99.9 Total new obligations .....	104	109	81

**FILIPINO VETERANS EQUITY COMPENSATION FUND**

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

Identification code 36-1121-0-1-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Filipino veterans equity compensation fund .....	2	6	6
0900 Total new obligations (object class 42.0) .....	2	6	6
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	59	57	51
1930 Total budgetary resources available .....	59	57	51
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	57	51	45
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....	2	6	6
3020 Outlays (gross) .....	-2	-6	-6
<b>Budget authority and outlays, net:</b>			
Discretionary:			
Outlays, gross:			
4011 Outlays from discretionary balances .....	2	6	6
4190 Outlays, net (total) .....	2	6	6

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

**SERVICE-DISABLED VETERANS INSURANCE FUND**

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

Identification code 36-4012-0-3-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Capital investment .....	20	22	23
0802 Death claims .....	94	112	124
0803 All other .....	8	9	9

0804 Payments to GOE and IT .....	7	7	8
0900 Total new obligations .....	129	150	164

**Budgetary Resources:**

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	20	44	56
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	153	162	137
1850 Spending auth from offsetting collections, mand (total) .....	153	162	137
1900 Budget authority (total) .....	153	162	137
1930 Total budgetary resources available .....	173	206	193
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	44	56	29

**Change in obligated balance:**

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	14	13	13
3010 Obligations incurred, unexpired accounts .....	129	150	164
3020 Outlays (gross) .....	-130	-150	-164
3050 Unpaid obligations, end of year .....	13	13	13
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	14	13	13
3200 Obligated balance, end of year .....	13	13	13

**Budget authority and outlays, net:**

Mandatory:			
4090 Budget authority, gross .....	153	162	137
Outlays, gross:			
4100 Outlays from new mandatory authority .....	96	93	95
4101 Outlays from mandatory balances .....	34	57	69
4110 Outlays, gross (total) .....	130	150	164
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-81	-86	-58
4123 Baseline Program [Interest on loans] .....	-4	-4	-4
4123 Baseline Program [Premiums Earned] .....	-51	-55	-58
4123 Baseline Program [Repayments of Loan/Liens] .....	-17	-17	-17
4130 Offsets against gross budget authority and outlays (total) ...	-153	-162	-137
4170 Outlays, net (mandatory) .....	-23	-12	27
4190 Outlays, net (total) .....	-23	-12	27

The Insurance Act of 1951 established the Service-Disabled Veterans Insurance (S-DVI) program for veterans with service-connected disabilities. S-DVI is open to veterans who separated from the service on or after April 25, 1951. This fund finances the payment of claims on existing life insurance policies and remains open for new issues at standard rates to veterans having service-connected disabilities.

**OPERATING COSTS**

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

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

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

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

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

**POLICIES AND INSURANCE IN FORCE**

	2012 actual	2013 est.	2014 est.
Number of policies (EOY) .....	241,224	255,460	268,376
Insurance in force (dollars in millions) (EOY) .....	\$2,499	\$2,660	\$2,808

*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.

SERVICE-DISABLED VETERANS INSURANCE FUND—Continued

*Operating results and financial condition.*—Since premium and other receipts are insufficient to cover operations, the fund continues to project liabilities in excess of assets. The deficit is expected to reach an estimated \$1,240 million by September 30, 2014.

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	2012 actual	2013 CR	2014 est.
<b>Reimbursable obligations:</b>			
33.0 Investments and loans .....	20	21	23
42.0 Insurance claims and indemnities .....	109	129	141
99.9 Total new obligations .....	129	150	164

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Death claims .....	32	34	32
0802 Dividends .....	5	4	3
0803 All other .....	5	5	5
0804 Capital investment: policy loans .....	1	1	1
0900 Total new obligations .....	43	44	41

<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	237	212	184
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	19	16	14
1801 Change in uncollected payments, Federal sources .....	-1		
1850 Spending auth from offsetting collections, mand (total) .....	18	16	14
1930 Total budgetary resources available .....	255	228	198
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	212	184	157

<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	48	44	41
3010 Obligations incurred, unexpired accounts .....	43	44	41
3020 Outlays (gross) .....	-47	-47	-45
3050 Unpaid obligations, end of year .....	44	41	37
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-4	-3	-3
3070 Change in uncollected pymts, Fed sources, unexpired .....	1		
3090 Uncollected pymts, Fed sources, end of year .....	-3	-3	-3
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	44	41	38
3200 Obligated balance, end of year .....	41	38	34

<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	18	16	14
Outlays, gross:			
4100 Outlays from new mandatory authority .....	18	16	14
4101 Outlays from mandatory balances .....	29	31	31
4110 Outlays, gross (total) .....	47	47	45
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4121 Baseline Program [Fund Earnings] .....	-14	-12	-10
4123 Baseline Program [Fund Premiums] .....	-2	-2	-2
4123 Baseline Program [Cash Collections] .....	-3	-2	-2
4130 Offsets against gross budget authority and outlays (total) .....	-19	-16	-14
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired .....	1		
4170 Outlays, net (mandatory) .....	28	31	31
4190 Outlays, net (total) .....	28	31	31

<b>Memorandum (non-add) entries:</b>			
5000 Total investments, SOY: Federal securities: Par value .....	281	253	222

5001 Total investments, EOY: Federal securities: Par value .....	253	222	191
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*Note.*—Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

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

*Budget program:*

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

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

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

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

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

POLICIES AND INSURANCE IN FORCE

	2012 actual	2013 est.	2014 est.
Number of policies .....	23,983	20,673	17,603
Insurance in force (dollars in millions) .....	\$248	\$217	\$186

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

Object Classification (in millions of dollars)

Identification code 36-4010-0-3-701	2012 actual	2013 CR	2014 est.
<b>Reimbursable obligations:</b>			
33.0 Investments and loans .....	1	1	1
42.0 Insurance claims and indemnities .....	35	37	35
43.0 Interest and dividends .....	7	6	5
99.9 Total new obligations .....	43	44	41

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Premium payments .....	803	822	833
0802 Payments to carrier .....	276	247	
0803 Payment to GOE .....	3	3	3
0900 Total new obligations (object class 41.0) .....	1,082	1,072	836

<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1	1	1
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	1,082	1,072	836
1850 Spending auth from offsetting collections, mand (total) .....	1,082	1,072	836
1930 Total budgetary resources available .....	1,083	1,073	837

Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	1	1	1
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3010	Obligations incurred, unexpired accounts .....	1,082	1,072	836
3020	Outlays (gross) .....	-1,082	-1,072	-836
<b>Budget authority and outlays, net:</b>				
Mandatory:				
4090	Budget authority, gross .....	1,082	1,072	836
Outlays, gross:				
4100	Outlays from new mandatory authority .....	1,082	1,072	836
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4123	Non-Federal sources .....	-1,082	-1,072	-836
<b>Memorandum (non-add) entries:</b>				
5000	Total investments, SOY: Federal securities: Par value .....	1	1	1
5001	Total investments, EOY: Federal securities: Par value .....	1	1	1

This fund finances the payment of group life insurance premiums to private insurance companies under the Servicemembers' Group Life Insurance (SGLI) Act of 1965, as amended. SGLI is a program for Servicemembers on active duty, ready reservists, members of the National Guard, members of the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service, cadets and midshipmen of the four service academies, and members of the Reserve Officer Training Corps. SGLI coverage is available in \$50,000 increments up to the maximum of \$400,000. Veterans' Group Life Insurance (VGLI) is a program of post-separation insurance which allows Servicemembers to convert their SGLI coverage to renewable term insurance. Family Servicemembers' Group Life Insurance (FSGLI) is a program extended to the spouses and dependent children of members insured under the SGLI program. FSGLI provides up to a maximum of \$100,000 of insurance coverage for spouses, not to exceed the amount of SGLI the insured member has in force, and \$10,000 of free coverage for dependent children. Spousal coverage is issued in increments of \$10,000.

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

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

Identification code 36-4009-0-3-701				
		2012 actual	2013 CR	2014 est.
Reimbursable obligations:				
41.0	Grants, subsidies, and contributions .....	1,082	1,072	836
99.0	Reimbursable obligations .....	1,082	1,072	836

**VETERANS HOUSING BENEFIT PROGRAM FUND**

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by subchapters I through III of chapter 37 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That during fiscal year 2014, within the resources available, not to exceed \$500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$158,430,000.

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

Identification code 36-1119-0-1-704				
		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
Credit program obligations:				
0702	Loan guarantee subsidy .....	66		
0705	Reestimates of direct loan subsidy .....	402	35	
0706	Interest on reestimates of direct loan subsidy .....	327	16	
0707	Reestimates of loan guarantee subsidy .....	689	1,187	
0708	Interest on reestimates of loan guarantee subsidy .....	91	142	
0709	Administrative expenses .....	142	156	158
0900	Total new obligations .....	1,717	1,536	158
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	59	1	
1029	Other balances withdrawn .....	-43		
1050	Unobligated balance (total) .....	16	1	
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	155	156	158
1160	Appropriation, discretionary (total) .....	155	156	158
Appropriations, mandatory:				
1200	Appropriation .....	1,560	1,379	
1260	Appropriations, mandatory (total) .....	1,560	1,379	
1900	Budget authority (total) .....	1,715	1,535	158
1930	Total budgetary resources available .....	1,731	1,536	158
Memorandum (non-add) entries:				
1940	Unobligated balance expiring .....	-13		
1941	Unexpired unobligated balance, end of year .....	1		
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....			1
3010	Obligations incurred, unexpired accounts .....	1,717	1,536	158
3020	Outlays (gross) .....	-1,717	-1,535	-158
3050	Unpaid obligations, end of year .....		1	1
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....			1
3200	Obligated balance, end of year .....		1	1
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	155	156	158
Outlays, gross:				
4010	Outlays from new discretionary authority .....	142	156	158
Mandatory:				
4090	Budget authority, gross .....	1,560	1,379	
Outlays, gross:				
4100	Outlays from new mandatory authority .....	1,560	1,379	
4101	Outlays from mandatory balances .....	15		
4110	Outlays, gross (total) .....	1,575	1,379	
4180	Budget authority, net (total) .....	1,715	1,535	158
4190	Outlays, net (total) .....	1,717	1,535	158

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

Identification code 36-1119-0-1-704				
		2012 actual	2013 CR	2014 est.
Direct loan levels supportable by subsidy budget authority:				
115001	Acquired Direct Loans .....	5	46	55
115004	Vendee Direct Loans .....	158	222	358
115999	Total direct loan levels .....	163	268	413
Direct loan subsidy (in percent):				
132001	Acquired Direct Loans .....	4.09	-2.29	-5.00
132004	Vendee Direct Loans .....	-2.12	-14.25	-24.13
132999	Weighted average subsidy rate .....	-1.93	-12.20	-21.58
Direct loan subsidy budget authority:				
133001	Acquired Direct Loans .....		-1	-3
133004	Vendee Direct Loans .....	-3	-32	-86
133999	Total subsidy budget authority .....	-3	-33	-89
Direct loan subsidy outlays:				
134001	Acquired Direct Loans .....		-1	-3
134004	Vendee Direct Loans .....	-3	-32	-86
134999	Total subsidy outlays .....	-3	-33	-89

VETERANS HOUSING BENEFIT PROGRAM FUND—Continued  
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program—Continued

Identification code 36-1119-0-1-704	2012 actual	2013 CR	2014 est.
Direct loan upward reestimates:			
135001 Acquired Direct Loans .....		12	
135004 Vendee Direct Loans .....	13	9	
135005 Acquired and Vendee Loan Reestimates .....	717	29	
135999 Total upward reestimate budget authority .....	730	50	
Direct loan downward reestimates:			
137001 Acquired Direct Loans .....	-12		
137004 Vendee Direct Loans .....	-2	-15	
137005 Acquired and Vendee Loan Reestimates .....		-1	
137999 Total downward reestimate budget authority .....	-14	-16	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Housing Guaranteed Loans .....	120,062	108,211	65,533
215002 Guaranteed Loan Sale Securities—Vendee .....	190		
215999 Total loan guarantee levels .....	120,252	108,211	65,533
Guaranteed loan subsidy (in percent):			
232001 Housing Guaranteed Loans .....	-0.14	-0.10	-0.02
232002 Guaranteed Loan Sale Securities—Vendee .....	10.75		
232999 Weighted average subsidy rate .....	-0.12	-0.10	-0.02
Guaranteed loan subsidy budget authority:			
233001 Housing Guaranteed Loans .....	-163	-108	-13
233002 Guaranteed Loan Sale Securities—Vendee .....	20		
233999 Total subsidy budget authority .....	-143	-108	-13
Guaranteed loan subsidy outlays:			
234001 Housing Guaranteed Loans .....	-163	-108	-13
234002 Guaranteed Loan Sale Securities—Vendee .....	20		
234999 Total subsidy outlays .....	-143	-108	-13
Guaranteed loan upward reestimates:			
235001 Housing Guaranteed Loans .....	707	1,294	
235002 Guaranteed Loan Sale Securities—Vendee .....	74	34	
235999 Total upward reestimate budget authority .....	781	1,328	
Guaranteed loan downward reestimates:			
237001 Housing Guaranteed Loans .....	-78	-18	
237002 Guaranteed Loan Sale Securities—Vendee .....		-19	
237999 Total downward reestimate subsidy budget authority .....	-78	-37	
Administrative expense data:			
3510 Budget authority .....	155	156	158
3590 Outlays from new authority .....	140	156	158

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

*Veterans Affairs (VA) housing program account.*—The housing program helps eligible veterans, active duty personnel, surviving spouses, and members of the Reserves and National Guard purchase, retain, and adapt homes in recognition of their service to the Nation. When a borrower purchases a home, the program operates by substituting the Federal Government's guaranty for a down payment that might otherwise be required. Under 38 U.S.C. 3703, the guaranty amount for a borrower with full entitlement is as follows:

- (a) 50 percent for loans of \$45,000 or less;
- (b) \$22,500 for loans greater than \$45,000, but no more than \$56,250;
- (c) The lesser of \$36,000 or 40 percent of the loan amount for loans greater than \$56,250, but not more than \$144,000;
- (d) 25 percent of the loan amount for loans of \$144,001 to \$417,000; or

(e) For certain loans in excess of \$417,000, the guaranty will be the lesser of: 25 percent of the county loan limit, or 25 percent of the loan.

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

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

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

**WORKLOAD**

	2012 actual	2013 est.	2014 est.
[In thousands]			
Construction and valuation .....	395	346	202
Loan processing .....	1074	941	548
Loan service and claims .....	108	115	115

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

Identification code 36-1119-0-1-704	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	142	156	158
41.0 Grants, subsidies, and contributions .....	1,575	1,380	
99.9 Total new obligations .....	1,717	1,536	158

**HOUSING DIRECT LOAN FINANCING ACCOUNT**

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

Identification code 36-4127-0-3-704	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0003 Property sales expense .....		1	3
0004 Property management/other expense .....	8	5	14
0091 Direct program activities, subtotal .....	8	6	17
Credit program obligations:			
0710 Direct loan obligations .....	163	268	413
0713 Payment of interest to Treasury .....	112	97	105
0740 Negative subsidy obligations .....	3	33	89
0742 Downward reestimate paid to receipt account .....	13	15	
0743 Interest on downward reestimates .....	1	1	
0791 Direct program activities, subtotal .....	292	414	607
0900 Total new obligations .....	300	420	624
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	169	89	
1023 Unobligated balances applied to repay debt .....	-157	-89	
1050 Unobligated balance (total) .....	12		
Financing authority:			
Borrowing authority, mandatory:			
1400 Borrowing authority .....	1,278	420	624
1421 Borrowing authority applied to repay debt .....	-1,008		
1440 Borrowing authority, mandatory (total) .....	270	420	624
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	1,070	120	114
1825 Spending authority from offsetting collections applied to repay debt .....	-963	-120	-114
1850 Spending auth from offsetting collections, mand (total) .....	107		
1900 Financing authority (total) .....	377	420	624
1930 Total budgetary resources available .....	389	420	624

Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	89	
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	8	5
3010	Obligations incurred, unexpired accounts .....	300	624
3020	Financing disbursements (gross) .....	-308	-621
3050	Unpaid obligations, end of year .....	5	8
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	8	5
3200	Obligated balance, end of year .....	5	8

<b>Financing authority and disbursements, net:</b>			
Mandatory:			
4090	Financing authority, gross .....	377	624
Financing disbursements:			
4110	Financing disbursements, gross .....	308	621
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120	Federal sources: Payments from program account .....	-729	-50
4120	Reimbursements from DLFA .....	-1	-5
4120	Transfer of loan sales from loan sale security .....	-190	
4122	Interest on uninvested funds .....	-81	
4123	Interest and principal received on loans .....	-59	-76
4123	Fees .....	-3	-5
4123	Cash sale of properties .....	-6	-28
4123	Other .....	-1	
4130	Offsets against gross financing auth and disbursements (total) .....	-1,070	-114
4160	Financing authority, net (mandatory) .....	-693	510
4170	Financing disbursements, net (mandatory) .....	-762	507
4180	Financing authority, net (total) .....	-693	510
4190	Financing disbursements, net (total) .....	-762	507

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

Identification code 36-4127-0-3-704			
	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on obligations:			
1131	Direct loan obligations exempt from limitation .....	163	413
1150	Total direct loan obligations .....	163	413
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	670	809
1231	Disbursements: Direct loan disbursements .....	163	413
Repayments:			
1251	Repayments and prepayments .....	-38	-32
1253	Proceeds from loan asset sales to the public with recourse .....	-190	
Write-offs for default:			
1263	Direct loans .....	-12	-14
1264	Other adjustments, Data Reconciliation .....	5	
1290	Outstanding, end of year .....	598	1,176

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			
	2011 actual	2012 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury .....	177	88
Investments in US securities:			
1106	Receivables, net .....	761	28
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross .....	670	598
1402	Interest receivable .....	12	14
1404	Foreclosed property .....	8	7
1405	Allowance for subsidy cost .....	-6	21
1499	Net present value of assets related to direct loans .....	684	640
1901	Other Federal assets: Other assets .....		1
1999	Total assets .....	1,622	757

LIABILITIES:			
Federal liabilities:			
2103	Debt .....	1,599	749
2105	Other .....	17	8
2207	Non-Federal liabilities: Other .....	6	
2999	Total liabilities .....	1,622	757
4999	Total liabilities and net position .....	1,622	757

**HOUSING GUARANTEED LOAN FINANCING ACCOUNT**

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

Identification code 36-4129-0-3-704			
	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0002	Losses on defaulted loans .....	811	750
0004	Reimburse DLFA for loan sales .....	190	
0005	Payment to trustee reserve .....	29	19
0009	Property sales expense .....	72	115
0010	Property management expense .....	107	100
0011	Property improvement expense .....	1	10
0012	Loans acquired .....	5	64
0091	Direct program activities, subtotal .....	1,215	1,058
Credit program obligations:			
0711	Default claim payments on principal .....	1,209	1,638
0713	Payment of interest to Treasury .....	1	
0740	Negative subsidy obligations .....	208	13
0741	Modification savings .....	4	
0742	Downward reestimate paid to receipt account .....	35	25
0743	Interest on downward reestimates .....	43	12
0791	Direct program activities, subtotal .....	1,500	1,651
0900	Total new obligations .....	2,715	2,709
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1 .....	3,248	5,253
Financing authority:			
Borrowing authority, mandatory:			
1400	Borrowing authority .....	24	13
1440	Borrowing authority, mandatory (total) .....	24	13
Spending authority from offsetting collections, mandatory:			
1800	Collected .....	3,357	3,098
1801	Change in uncollected payments, Federal sources .....	-5	
1825	Spending authority from offsetting collections applied to repay debt .....		-13
1850	Spending auth from offsetting collections, mand (total) .....	3,352	3,085
1900	Financing authority (total) .....	3,376	3,098
1930	Total budgetary resources available .....	6,624	8,351
Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year .....	3,909	5,642

**Change in obligated balance:**

Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1 .....	284	48
3010	Obligations incurred, unexpired accounts .....	2,715	2,709
3020	Financing disbursements (gross) .....	-2,692	-2,702
3050	Unpaid obligations, end of year .....	307	55
Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-5	
3070	Change in uncollected pymts, Fed sources, unexpired .....	5	
Memorandum (non-add) entries:			
3100	Obligated balance, start of year .....	279	48
3200	Obligated balance, end of year .....	307	55

**Financing authority and disbursements, net:**

Mandatory:			
4090	Financing authority, gross .....	3,376	3,098
Financing disbursements:			
4110	Financing disbursements, gross .....	2,692	2,702
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120	Payments from program account .....	-846	-1,329
4120	Recoveries from DLFA .....	-167	-313
4122	Interest on uninvested funds .....	-133	-426
4123	Funding fees .....	-1,179	-944
4123	Cash sale of properties .....	-791	-1,415
4123	Redemption of properties and other .....	-43	

**HOUSING GUARANTEED LOAN FINANCING ACCOUNT—Continued**  
**Program and Financing—Continued**

Identification code 36-4129-0-3-704	2012 actual	2013 CR	2014 est.
4123 Loan sale proceeds .....	-198		
4130 Offsets against gross financing auth and disbursements (total) .....	-3,357	-3,852	-3,098
Additional offsets against financing authority only (total):			
4140 Change in uncollected pymts, Fed sources, unexpired .....	5		
4160 Financing authority, net (mandatory) .....	24		
4170 Financing disbursements, net (mandatory) .....	-665	-1,085	-396
4180 Financing authority, net (total) .....	24		
4190 Financing disbursements, net (total) .....	-665	-1,085	-396

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

Identification code 36-4129-0-3-704	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation .....	120,062	108,211	65,533
2132 Guaranteed loan commitments for loan asset sales with recourse .....	190		
2150 Total guaranteed loan commitments .....	120,252	108,211	65,533
2199 Guaranteed amount of guaranteed loan commitments .....	33,327	29,866	18,087
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	257,727	295,996	394,154
2231 Disbursements of new guaranteed loans .....	120,061	108,211	65,533
2232 Guarantees of loans sold to the public with recourse .....	190		
2251 Repayments and prepayments .....	-79,928	-7,882	-9,092
Adjustments:			
2262 Terminations for default that result in acquisition of property .....	-1,209	-1,379	-1,638
2263 Terminations for default that result in claim payments .....	-845	-792	-833
2290 Outstanding, end of year .....	295,996	394,154	448,124
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	85,772	111,467	125,395

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

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

Identification code 36-4129-0-3-704	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets:		
1101 Fund balances with Treasury .....	3,527	4,216
Investments in US securities:		
1106 Receivables, net .....	969	895
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1504 Accounts receivable from foreclosed property .....	11	6
1504 Foreclosed property .....	852	813
1599 Net present value of assets related to defaulted guaranteed loans .....	863	819
1999 Total assets .....	5,359	5,930
<b>LIABILITIES:</b>		
Federal liabilities:		
2103 Debt .....		24
2105 Other liabilities .....	15	42
Non-Federal liabilities:		
2201 Accounts payable .....	286	308
2204 Non-federal liabilities for loan guarantees .....	5,058	5,556
2999 Total liabilities .....	5,359	5,930

4999 Total liabilities and net position .....	5,359	5,930
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**HOUSING LIQUIDATING ACCOUNT**  
**Program and Financing (in millions of dollars)**

Identification code 36-4025-0-3-704	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0105 Other operating expenses .....	2	2	2
Credit program obligations:			
0711 Default claim payments on principal .....	3	2	2
0900 Total new obligations .....	5	4	4

**Budgetary Resources:**

<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1 .....	1	3	
1022 Capital transfer of unobligated balances to general fund .....		-3	
1050 Unobligated balance (total) .....	1		
<b>Budget authority:</b>			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	14	12	11
1820 Capital transfer of spending authority from offsetting collections to general fund .....	-7	-8	-7
1850 Spending auth from offsetting collections, mand (total) .....	7	4	4
1930 Total budgetary resources available .....	8	4	4
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	3		

**Change in obligated balance:**

<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	3	3	
3010 Obligations incurred, unexpired accounts .....	5	4	4
3020 Outlays (gross) .....	-5	-7	-4
3050 Unpaid obligations, end of year .....	3		
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	3	3	
3200 Obligated balance, end of year .....	3		

**Budget authority and outlays, net:**

<b>Mandatory:</b>			
4090 Budget authority, gross .....	7	4	4
Outlays, gross:			
4100 Outlays from new mandatory authority .....	2	4	4
4101 Outlays from mandatory balances .....	3	3	
4110 Outlays, gross (total) .....	5	7	4
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-1		
4123 Loan repayments and prepayments .....	-3	-2	-2
4123 Sale of homes, cash .....	-2	-2	-1
4123 Interest on loans .....	-1	-1	-1
4123 Interest on subordinate certificates .....	-1	-1	-1
4123 Interest collection on Veteran liability debts .....	-3	-2	-2
4123 Principal collection on Veteran liability debts .....	-3	-4	-4
4130 Offsets against gross budget authority and outlays (total) .....	-14	-12	-11
4160 Budget authority, net (mandatory) .....	-7	-8	-7
4170 Outlays, net (mandatory) .....	-9	-5	-7
4180 Budget authority, net (total) .....	-7	-8	-7
4190 Outlays, net (total) .....	-9	-5	-7

**Memorandum (non-add) entries:**

5010 Total investments, SOY: non-Fed securities: Market value .....	140	140	140
5011 Total investments, EOY: non-Fed securities: Market value .....	140	140	140

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

Identification code 36-4025-0-3-704	2012 actual	2013 CR	2014 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	14	11	9
1251 Repayments: Repayments and prepayments .....	-3	-2	-2
1290 Outstanding, end of year .....	11	9	7

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

Identification code 36-4025-0-3-704	2012 actual	2013 CR	2014 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	587	461	362
2251 Repayments and prepayments .....	-123	-97	-76
2262 Adjustments: Terminations for default that result in acquisition of property .....	-3	-2	-2
2290 Outstanding, end of year .....	461	362	284
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	196	153	120
<b>Addendum:</b>			
<b>Cumulative balance of defaulted guaranteed loans that result in loans receivable:</b>			
2310 Outstanding, start of year .....	15	31	19
2351 Repayments of loans receivable .....	-4	-8	-6
2361 Write-offs of loans receivable .....	-2	-4	-2
2364 Other adjustments, net .....	22		
2390 Outstanding, end of year .....	31	19	11

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

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

Identification code 36-4025-0-3-704	2011 actual	2012 actual
<b>ASSETS:</b>		
1101 Federal assets: Fund balances with Treasury .....	4	5
1201 Non-Federal assets: Investments in non-Federal securities, net .....	140	140
1601 Direct loans, gross .....	14	11
1603 Allowance for estimated uncollectible loans and interest (-) .....	-2	
1604 Direct loans and interest receivable, net .....	12	11
1606 Foreclosed property direct loans .....	10	10
1699 Value of assets related to direct loans .....	22	21
1701 Defaulted guaranteed loans, gross .....	15	31
1703 Allowance for estimated uncollectible loans and interest (-) .....	-14	-10
1704 Defaulted guaranteed loans and interest receivable, net .....	1	21
1706 Foreclosed property .....	4	4
1799 Value of assets related to loan guarantees .....	5	25
1999 Total assets .....	171	191
<b>LIABILITIES:</b>		
2103 Federal liabilities: Debt .....	169	189
2207 Non-Federal liabilities: Other .....	2	2
2999 Total liabilities .....	171	191
4999 Total liabilities and net position .....	171	191

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

Identification code 36-4025-0-3-704	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
32.0 Land and structures .....	3	2	2
33.0 Investments and loans .....	2	2	2
99.9 Total new obligations .....	5	4	4

**NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT**

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, \$1,109,000.

**VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT**

For the cost of direct loans, \$5,000, as authorized by chapter 31 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congress-

sional Budget Act of 1974: Provided further, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$2,500,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$354,000, which may be paid to the appropriation for "General operating expenses, Veterans Benefits Administration".

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 36-1120-0-1-704	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
<b>Credit program obligations:</b>			
0705 Reestimates of direct loan subsidy .....	10	5	
0706 Interest on reestimates of direct loan subsidy .....	3	1	
0709 Administrative expenses .....	1	1	1
0900 Total new obligations .....	14	7	1
<b>Budgetary Resources:</b>			
<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1 .....	2	3	3
<b>Budget authority:</b>			
<b>Appropriations, discretionary:</b>			
1100 Appropriation .....	1	1	1
1160 Appropriation, discretionary (total) .....	1	1	1
<b>Appropriations, mandatory:</b>			
1200 Appropriation .....	14	6	
1260 Appropriations, mandatory (total) .....	14	6	
1900 Budget authority (total) .....	15	7	1
1930 Total budgetary resources available .....	17	10	4
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	3	3	3
<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3010 Obligations incurred, unexpired accounts .....	14	7	1
3020 Outlays (gross) .....	-14	-7	-1
<b>Budget authority and outlays, net:</b>			
<b>Discretionary:</b>			
4000 Budget authority, gross .....	1	1	1
<b>Outlays, gross:</b>			
4010 Outlays from new discretionary authority .....	1	1	1
<b>Mandatory:</b>			
4090 Budget authority, gross .....	14	6	
<b>Outlays, gross:</b>			
4100 Outlays from new mandatory authority .....	13	6	
4180 Budget authority, net (total) .....	15	7	1
4190 Outlays, net (total) .....	14	7	1

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

Identification code 36-1120-0-1-704	2012 actual	2013 CR	2014 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
115002 Native American Direct Loans .....	6	11	11
115003 Vocational Rehabilitation .....	2	3	3
115999 Total direct loan levels .....	8	14	14
<b>Direct loan subsidy (in percent):</b>			
132002 Native American Direct Loans .....	-11.97	-17.84	-16.75
132003 Vocational Rehabilitation .....	0.63	0.68	0.20
132999 Weighted average subsidy rate .....	-8.82	-13.87	-13.12
<b>Direct loan subsidy budget authority:</b>			
133002 Native American Direct Loans .....	-1	-2	-2
133999 Total subsidy budget authority .....	-1	-2	-2
<b>Direct loan subsidy outlays:</b>			
134002 Native American Direct Loans .....	-1	-2	-2
134999 Total subsidy outlays .....	-1	-2	-2
<b>Direct loan upward reestimates:</b>			
135002 Native American Direct Loans .....	13	6	
135999 Total upward reestimate budget authority .....	13	6	

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

Identification code 36-1120-0-1-704	2012 actual	2013 CR	2014 est.
Direct loan downward reestimates:			
137002 Native American Direct Loans .....	-5	-3	.....
137999 Total downward reestimate budget authority .....	-5	-3	.....

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

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

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

Identification code 36-1120-0-1-704	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	1	1	1
41.0 Grants, subsidies, and contributions .....	13	6	.....
99.9 Total new obligations .....	14	7	1

**NATIVE AMERICAN DIRECT LOAN FINANCING ACCOUNT**

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

Identification code 36-4130-0-3-704	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0710 Direct loan obligations .....	6	11	11
0713 Payment of interest to Treasury .....	3	3	3
0740 Negative subsidy obligations .....	1	2	2
0742 Downward reestimate paid to receipt account .....	4	2	.....
0743 Interest on downward reestimates .....	1	1	.....
0900 Total new obligations .....	15	19	16
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	7	4	.....
1023 Unobligated balances applied to repay debt .....	-7	.....	.....
1050 Unobligated balance (total) .....	.....	4	.....
Financing authority:			
Borrowing authority, mandatory:			
1400 Borrowing authority .....	22	15	17
1421 Borrowing authority applied to repay debt .....	-5	.....	.....
1440 Borrowing authority, mandatory (total) .....	17	15	17
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	19	15	10
1825 Spending authority from offsetting collections applied to repay debt .....	-17	-15	-10
1850 Spending auth from offsetting collections, mand (total) .....	2	.....	.....
1900 Financing authority (total) .....	19	15	17
1930 Total budgetary resources available .....	19	19	17
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	4	.....	1

**Change in obligated balance:**

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1	3	1
3010 Obligations incurred, unexpired accounts .....	15	19	16
3020 Financing disbursements (gross) .....	-13	-21	-16
3050 Unpaid obligations, end of year .....	3	1	1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1	3	1
3200 Obligated balance, end of year .....	3	1	1

**Financing authority and disbursements, net:**

Mandatory:			
4090 Financing authority, gross .....	19	15	17
Financing disbursements:			
4110 Financing disbursements, gross .....	13	21	16
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-13	-6	.....
4122 Interest on uninvested funds .....	-1	.....	.....
4123 Non-federal sources - Repayments and prepayments of principal .....	-5	-6	-7
4123 Non-Federal sources - Interest received on loans .....	.....	-3	-3
4130 Offsets against gross financing auth and disbursements (total) .....	-19	-15	-10
4160 Financing authority, net (mandatory) .....	.....	.....	7
4170 Financing disbursements, net (mandatory) .....	-6	6	6
4180 Financing authority, net (total) .....	.....	.....	7
4190 Financing disbursements, net (total) .....	-6	6	6

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

Identification code 36-4130-0-3-704	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on obligations:			
1131 Direct loan obligations exempt from limitation .....	6	11	11
1150 Total direct loan obligations .....	6	11	11
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	61	56	61
1231 Disbursements: Direct loan disbursements .....	4	11	11
1251 Repayments: Repayments and prepayments .....	-3	-6	-7
1264 Write-offs for default: Adjustment - reduction in subsidy allowance to account for reestimates analysis .....	-6	.....	.....
1290 Outstanding, end of year .....	56	61	65

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

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

Identification code 36-4130-0-3-704	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets:		
1101 Fund balances with Treasury .....	9	6
Investments in US securities:		
1106 Receivables, net .....	3	5
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross .....	61	56
1402 Interest receivable .....	1	1
1499 Net present value of assets related to direct loans .....	62	57
1901 Other Federal assets: Other assets .....	.....	2
1999 Total assets .....	74	70
<b>LIABILITIES:</b>		
Federal liabilities:		
2103 Federal liabilities debt .....	73	64
2105 Other liabilities .....	1	6
2999 Total liabilities .....	74	70
4999 Total liabilities and net position .....	74	70

TRANSITIONAL HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4258-0-3-704	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	5	5	5
1930 Total budgetary resources available .....	5	5	5
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	5	5	5

Status of Direct Loans (in millions of dollars)

Identification code 36-4258-0-3-704	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on obligations:			
1121 Limitation available from carry-forward .....	95	95	95
1143 Unobligated limitation carried forward .....	-95	-95	-95
1150 Total direct loan obligations .....			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	5	5	5
1290 Outstanding, end of year .....	5	5	5

Balance Sheet (in millions of dollars)

Identification code 36-4258-0-3-704	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets: Fund balances with Treasury .....		
1101	5	5
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross .....	5	5
1405 Allowance for subsidy cost (-) .....	-5	-5
1499 Net present value of assets related to direct loans .....		
1999 Total assets .....	5	5
<b>LIABILITIES:</b>		
2103 Federal liabilities: Debt .....	5	5
4999 Total liabilities and net position .....	5	5

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4112-0-3-702	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
Credit program obligations:			
0710 Direct loan obligations .....	3	3	3
0900 Total new obligations .....	3	3	3

Budgetary Resources:

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1	1	1
Financing authority:			
Borrowing authority, mandatory:			
1400 Authority to borrow (indefinite) .....	3	3	3
1421 Borrowing authority applied to repay debt .....	-2		
1440 Borrowing authority, mandatory (total) .....	1	3	3
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	3	3	3
1825 Spending authority from offsetting collections applied to repay debt .....	-1	-3	-3
1850 Spending auth from offsetting collections, mand (total) .....	2		
1900 Financing authority (total) .....	3	3	3
1930 Total budgetary resources available .....	4	4	4
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1	1	1

Change in obligated balance:

Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....	3	3	3
3020 Financing disbursements (gross) .....	-3	-3	-3

Financing authority and disbursements, net:

Mandatory:			
4090 Financing authority, gross .....	3	3	3
Financing disbursements:			
4110 Financing disbursements, gross .....	3	3	3
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
4123 Repayments and prepayments of principal .....	-3	-3	-3

Status of Direct Loans (in millions of dollars)

Identification code 36-4112-0-3-702	2012 actual	2013 CR	2014 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	3	3	3
1150 Total direct loan obligations .....	3	3	3
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1	2	2
1231 Disbursements: Direct loan disbursements .....	3	3	3
1251 Repayments: Repayments and prepayments .....	-2	-3	-3
1290 Outstanding, end of year .....	2	2	2

Balance Sheet (in millions of dollars)

Identification code 36-4112-0-3-702	2011 actual	2012 actual
<b>ASSETS:</b>		
Federal assets: Investments in US securities:		
1104 Investments US Securities .....	1	1
1401 Net value of assets related to post-1991 direct loans receivable:		
Direct loans receivable, gross .....	1	2
1999 Total assets .....	2	3
<b>LIABILITIES:</b>		
2103 Federal liabilities: Debt .....	2	3
4999 Total liabilities and net position .....	2	3

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0003 Participant disenrollments .....	1	1	1
0900 Total new obligations (object class 41.0) .....	1	1	1

Budgetary Resources:

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	64	64	64
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	1	1	1
1850 Spending auth from offsetting collections, mand (total) .....	1	1	1
1900 Budget authority (total) .....	1	1	1
1930 Total budgetary resources available .....	65	65	65
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	64	64	64

Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1	1	1
3010 Obligations incurred, unexpired accounts .....	1	1	1
3020 Outlays (gross) .....	-1	-1	-1
3050 Unpaid obligations, end of year .....	1	1	1
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1	1	1
3200 Obligated balance, end of year .....	1	1	1

Budget authority and outlays, net:

Mandatory:			
4090 Budget authority, gross .....	1	1	1
Outlays, gross:			
4100 Outlays from new mandatory authority .....		1	1
4101 Outlays from mandatory balances .....	1		

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT—Continued  
Program and Financing—Continued

Identification code 36-8133-0-7-702	2012 actual	2013 CR	2014 est.
4110 Outlays, gross (total) .....	1	1	1
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-1	-1	-1

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

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

	[dollars in millions]		
	2012 actual	2013 est.	2014 est.
Total budget authority .....	\$1	\$1	\$1
Servicepersons contributions .....	\$0	\$0	\$0
Transferred from Department of Defense (bonus) .....	\$0	\$0	\$0
Transferred from Department of Defense (matching) .....	\$0	\$0	\$0
Transferred from Department of Defense (section 901) .....	\$0	\$0	\$0
Total participants (end of year) .....	192,778	192,318	191,912
Number of disenrollments .....	446	396	346
Total refunds .....	\$1	\$1	\$1
Total trainees .....	72	68	65
Total trainee cost .....	\$1	\$1	\$1
Total trainee cost .....	\$1,092	\$1,092	\$1,092
Section 901 trainees .....	24	23	22

NATIONAL SERVICE LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8132-0-7-701	2012 actual	2013 CR	2014 est.
0100 Balance, start of year .....	6,367	5,825	5,214
Receipts:			
0220 NSLI Fund, Premium and Other Receipts .....	71	65	55
0240 NSLI Fund, Interest .....	366	305	259
0299 Total receipts and collections .....	437	370	314
0400 Total: Balances and collections .....	6,804	6,195	5,528
Appropriations:			
0500 National Service Life Insurance Fund .....	-436	-370	-315
0501 National Service Life Insurance Fund .....	-543	-611	-613
0599 Total appropriations .....	-979	-981	-928
0799 Balance, end of year .....	5,825	5,214	4,600

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Death claims .....	696	714	680
0002 Disability claims .....	5	4	4
0003 Matured endowments .....	37	48	59
0004 Cash surrenders .....	27	28	28
0005 Dividends .....	125	100	76
0006 Interest paid on dividend credits and deposits .....	42	37	35
0007 Payment to general operating expenses .....	18	23	21
0091 Total operating expenses .....	950	954	903
0201 Capital investment: Policy loans .....	29	27	25

0799 Total direct obligations .....	979	981	928
0801 Death claims .....	130	108	93
0802 Disability claims .....	1	1	1
0803 Matured endowments .....	7	7	8
0804 Cash surrenders .....	5	4	4
0805 Dividends .....	23	15	10
0806 Interest paid on dividend credits and deposits .....	8	6	4
0807 Payment to general operating expenses .....	3	3	3
0899 Total reimbursable obligations .....	177	144	123
0900 Total new obligations .....	1,156	1,125	1,051

Budgetary Resources:

1000 Unobligated balance:			
Unobligated balance brought forward, Oct 1 .....		1	1
Budget authority:			
Appropriations, mandatory:			
1201 Appropriation (special or trust fund) .....	436	370	315
1203 Appropriation (previously unavailable) .....	543	611	613
1260 Appropriations, mandatory (total) .....	979	981	928
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	178	144	123
1850 Spending auth from offsetting collections, mand (total) .....	178	144	123
1900 Budget authority (total) .....	1,157	1,125	1,051
1930 Total budgetary resources available .....	1,157	1,126	1,052
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	1	1	1

Change in obligated balance:

3000 Unpaid obligations:			
Unpaid obligations, brought forward, Oct 1 .....	1,182	1,089	1,003
3010 Obligations incurred, unexpired accounts .....	1,156	1,125	1,051
3020 Outlays (gross) .....	-1,249	-1,211	-1,143
3050 Unpaid obligations, end of year .....	1,089	1,003	911
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1,182	1,089	1,003
3200 Obligated balance, end of year .....	1,089	1,003	911

Budget authority and outlays, net:

4090 Mandatory:			
Budget authority, gross .....	1,157	1,125	1,051
Outlays, gross:			
4100 Outlays from new mandatory authority .....		514	438
4101 Outlays from mandatory balances .....	1,249	697	705
4110 Outlays, gross (total) .....	1,249	1,211	1,143
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123 Non-Federal sources .....	-178	-144	-123
4180 Budget authority, net (total) .....	979	981	928
4190 Outlays, net (total) .....	1,071	1,067	1,020

Memorandum (non-add) entries:

5000 Total investments, SOY: Federal securities: Par value .....	7,541	6,912	6,215
5001 Total investments, EOY: Federal securities: Par value .....	6,912	6,215	5,509

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

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

POLICIES AND INSURANCE IN FORCE

	2012 actual	2013 est.	2014 est.
Number of policies .....	586,450	511,660	440,940
Insurance in force (dollars in millions) .....	\$7,174	\$6,299	\$5,453

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

Assets of the fund, which are largely invested in special interest-bearing Treasury securities and in policy loans, are expected to decrease from an estimated \$6,507 million as of September 30, 2013 to \$5,761 million as of September 30, 2014. The actuarial

estimate of policy obligations as of September 30, 2014, totals \$5,497 million, leaving a balance of \$264 million for contingency reserves.

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

Identification code 36-8132-0-7-701	2012 actual	2013 CR	2014 est.
<b>Unexpended balance, start of year:</b>			
0100 Balance, start of year	7,549	6,915	6,218
0199 Total balance, start of year	7,549	6,915	6,218
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Offsetting receipts (proprietary):</b>			
1220 NSLI Fund, Premium and Other Receipts	71	65	55
<b>Offsetting receipts (intragovernmental):</b>			
1240 NSLI Fund, Interest	366	305	259
<b>Offsetting collections:</b>			
1280 National Service Life Insurance Fund	178	144	123
1299 Income under present law	615	514	437
3299 Total cash income	615	514	437
<b>Cash outgo during year:</b>			
<b>Current law:</b>			
4500 National Service Life Insurance Fund	-1,249	-1,211	-1,143
4599 Outgo under current law (-)	-1,249	-1,211	-1,143
6599 Total cash outgo (-)	-1,249	-1,211	-1,143
<b>Unexpended balance, end of year:</b>			
8700 Uninvested balance (net), end of year	3	3	3
8701 National Service Life Insurance Fund	6,912	6,215	5,509
8799 Total balance, end of year	6,915	6,218	5,512

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

Identification code 36-8132-0-7-701	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
33.0 Investments and loans	29	27	25
42.0 Insurance claims and indemnities	766	794	771
43.0 Interest and dividends	184	160	132
99.0 Direct obligations	979	981	928
99.0 Reimbursable obligations	177	144	123
99.9 Total new obligations	1,156	1,125	1,051

**UNITED STATES GOVERNMENT LIFE INSURANCE FUND**

**Special and Trust Fund Receipts** (in millions of dollars)

Identification code 36-8150-0-7-701	2012 actual	2013 CR	2014 est.
0100 Balance, start of year	10	7	5
<b>Receipts:</b>			
0240 Interest and Profits on Investments in Public Debt Securities, USGLI	1		
0400 Total: Balances and collections	11	7	5
<b>Appropriations:</b>			
0500 United States Government Life Insurance Fund	-1		
0501 United States Government Life Insurance Fund	-3	-2	-2
0599 Total appropriations	-4	-2	-2
0799 Balance, end of year	7	5	3

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

Identification code 36-8150-0-7-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Death claims	2	2	1
0007 Other costs	1	1	1
0900 Total new obligations	3	3	2
<b>Budgetary Resources:</b>			
<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1		1	

<b>Budget authority:</b>			
<b>Appropriations, mandatory:</b>			
1201 Appropriation (special or trust fund)	1		
1203 Appropriation (previously unavailable)	3	2	2
1260 Appropriations, mandatory (total)	4	2	2
1930 Total budgetary resources available	4	3	2
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year	1		

<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1	7	5	4
3010 Obligations incurred, unexpired accounts	3	3	2
3020 Outlays (gross)	-5	-4	-2
3050 Unpaid obligations, end of year	5	4	4
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year	7	5	4
3200 Obligated balance, end of year	5	4	4

<b>Budget authority and outlays, net:</b>			
<b>Mandatory:</b>			
4090 Budget authority, gross	4	2	2
<b>Outlays, gross:</b>			
4100 Outlays from new mandatory authority	1		
4101 Outlays from mandatory balances	4	4	2
4110 Outlays, gross (total)	5	4	2
4180 Budget authority, net (total)	4	2	2
4190 Outlays, net (total)	5	4	2

<b>Memorandum (non-add) entries:</b>			
5000 Total investments, SOY: Federal securities: Par value	17	13	9
5001 Total investments, EOY: Federal securities: Par value	13	9	6

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

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

**POLICIES AND INSURANCE IN FORCE**

	2012 actual	2013 est.	2014 est.
Number of policies	2,165	1,470	950
Insurance in force (dollars in millions)	\$6	\$4	\$2

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

Assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decrease from \$9.8 million as of September 30, 2013, to \$6.9 million as of September 30, 2014, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2014, totals \$6.5 million, leaving a balance of \$0.4 million for contingency reserves.

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

Identification code 36-8150-0-7-701	2012 actual	2013 CR	2014 est.
<b>Unexpended balance, start of year:</b>			
0100 Balance, start of year	17	13	9
0199 Total balance, start of year	17	13	9
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Offsetting receipts (intragovernmental):</b>			
1240 Interest and Profits on Investments in Public Debt Securities, USGLI	1		
1299 Income under present law	1		
3299 Total cash income	1		
<b>Cash outgo during year:</b>			
<b>Current law:</b>			
4500 United States Government Life Insurance Fund	-5	-4	-2

UNITED STATES GOVERNMENT LIFE INSURANCE FUND—Continued  
Status of Funds—Continued

Identification code 36-8150-0-7-701	2012 actual	2013 CR	2014 est.
4599 Outgo under current law (-)	-5	-4	-2
6599 Total cash outgo (-)	-5	-4	-2
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year			1
8701 United States Government Life Insurance Fund	13	9	6
8799 Total balance, end of year	13	9	7

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	2012 actual	2013 CR	2014 est.
Direct obligations:			
42.0 Insurance claims and indemnities	2	2	1
43.0 Interest and dividends	1	1	1
99.9 Total new obligations	3	3	2

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Death claims	103	114	120
0802 Cash surrenders	5	6	5
0803 Dividends	54	49	43
0804 All other	26	25	24
0805 Payments to insurance account	6	8	8
0806 Capital investment	10	9	9
0900 Total new obligations	204	211	209
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	1,549	1,518	1,467
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected	174	160	149
1801 Change in uncollected payments, Federal sources	-1		
1850 Spending auth from offsetting collections, mand (total)	173	160	149
1930 Total budgetary resources available	1,722	1,678	1,616
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	1,518	1,467	1,407
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	461	464	460
3010 Obligations incurred, unexpired accounts	204	211	209
3020 Outlays (gross)	-201	-215	-217
3050 Unpaid obligations, end of year	464	460	452
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1	-29	-28	-28
3070 Change in uncollected pymts, Fed sources, unexpired	1		
3090 Uncollected pymts, Fed sources, end of year	-28	-28	-28
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	432	436	432
3200 Obligated balance, end of year	436	432	424
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross	173	160	149
Outlays, gross:			
4100 Outlays from new mandatory authority	173	160	149
4101 Outlays from mandatory balances	28	55	68
4110 Outlays, gross (total)	201	215	217
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4121 Baseline Program [Fund Earnings]	-115	-105	-98
4123 Baseline Program [Repayment of loans]	-15	-14	-13
4123 Baseline Program [Fund Premiums]	-40	-38	-35
4123 Baseline Program [Interest on Loans]	-4	-3	-3

4130 Offsets against gross budget authority and outlays (total)	-174	-160	-149
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired	1		
4170 Outlays, net (mandatory)	27	55	68
4190 Outlays, net (total)	27	55	68

Memorandum (non-add) entries:

5000 Total investments, SOY: Federal securities: Par value	1,981	1,953	1,898
5001 Total investments, EOY: Federal securities: Par value	1,953	1,898	1,831

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

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

Benefit program:

Death claims.—Represents payments to designated beneficiaries.

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

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

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

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

POLICIES AND INSURANCE IN FORCE

	2012 actual	2013 est.	2013 est.
Number of policies	149,947	141,018	131,839
Insurance in force (dollars in millions)	\$2,055	\$1,958	\$1,853

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

Object Classification (in millions of dollars)

Identification code 36-8455-0-8-701	2012 actual	2013 CR	2014 est.
Reimbursable obligations:			
33.0 Investments and loans	10	9	9
42.0 Insurance claims and indemnities	117	131	136
43.0 Interest and dividends	77	71	64
99.9 Total new obligations	204	211	209

DEPARTMENTAL ADMINISTRATION

Federal Funds

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, and chapter 81 of title 38, United States Code, not otherwise provided for, including planning, architectural and engineering services, construction management services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is more than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, \$342,130,000, to remain available until expended: Provided, That except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other capital asset manage-

ment related activities, including portfolio development and management activities, and investment strategy studies funded through the advance planning fund and the planning and design activities funded through the design fund, including needs assessments which may or may not lead to capital investments, and salaries and associated costs of the resident engineers who oversee those capital investments funded through this account, and funds provided for the purchase of land for the National Cemetery Administration through the land acquisition line item, none of the funds made available under this heading shall be used for any project which has not been approved by the Congress in the budgetary process: Provided further, That funds made available under this heading for fiscal year 2014, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 2014; and (2) by the awarding of a construction contract by September 30, 2015: Provided further, That the Secretary of Veterans Affairs shall promptly submit to the Committees on Appropriations of both Houses of Congress a written report on any approved major construction project for which obligations are not incurred within the time limitations established above.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution as well as amounts from P.L. 113–2, the Disaster Relief Appropriations Act, 2013 (no language shown).

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

Identification code 36–0110–0–1–703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Medical programs .....	1,055	1,149	665
0002 National cemeteries .....	42	57	149
0005 Staff offices .....	2	5	4
0006 Veterans Benefit Administration .....			1
0900 Total new obligations .....	1,099	1,211	819
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	3,034	2,525	2,115
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	590	801	342
1160 Appropriation, discretionary (total) .....	590	801	342
1900 Budget authority (total) .....	590	801	342
1930 Total budgetary resources available .....	3,624	3,326	2,457
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	2,525	2,115	1,638
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1,218	1,579	1,863
3010 Obligations incurred, unexpired accounts .....	1,099	1,211	819
3020 Outlays (gross) .....	–738	–927	–832
3050 Unpaid obligations, end of year .....	1,579	1,863	1,850
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1,218	1,579	1,863
3200 Obligated balance, end of year .....	1,579	1,863	1,850
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	590	801	342
Outlays, gross:			
4010 Outlays from new discretionary authority .....	21	5	2
4011 Outlays from discretionary balances .....	717	922	830
4020 Outlays, gross (total) .....	738	927	832
4180 Budget authority, net (total) .....	590	801	342
4190 Outlays, net (total) .....	738	927	832

The Construction, Major Projects appropriation funds construction projects costing more than \$10 million. Funding is included for the completion of a mental health building at Seattle, WA. The request also includes funding for 3 new national cemeteries in the areas of Central East Florida; Tallahassee, FL; and Omaha, NE. Additional funds are provided to fund salaries and associated costs of resident engineers who oversee the Department's capital

investments and to support advance planning and design activities.

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

Identification code 36–0110–0–1–703	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	2	6	6
25.3 Other goods and services from Federal sources .....	15	24	24
26.0 Supplies and materials .....	1	3	3
31.0 Equipment .....	4	6	6
32.0 Land and structures .....	1,077	1,172	780
99.9 Total new obligations .....	1,099	1,211	819

**CONSTRUCTION, MINOR PROJECTS**

For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, including planning and assessments of needs which may lead to capital investments, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, and chapter 81 of title 38, United States Code, not otherwise provided for, where the estimated cost of a project is equal to or less than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, \$714,870,000, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is equal to or less than the amount set forth in such section: Provided, That funds made available under this heading shall be for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112–175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 36–0111–0–1–703	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Medical programs .....	435	506	506
0002 National cemeteries .....	48	71	97
0003 Regional offices .....	12	35	52
0004 Staff offices .....	13	28	38
0900 Total new obligations .....	508	640	693
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	277	251	96
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	482	485	715
1160 Appropriation, discretionary (total) .....	482	485	715
1900 Budget authority (total) .....	482	485	715
1930 Total budgetary resources available .....	759	736	811
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	251	96	118
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	924	882	1,106
3010 Obligations incurred, unexpired accounts .....	508	640	693
3020 Outlays (gross) .....	–550	–416	–428
3050 Unpaid obligations, end of year .....	882	1,106	1,371
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	924	882	1,106

CONSTRUCTION, MINOR PROJECTS—Continued  
Program and Financing—Continued

Identification code 36-0111-0-1-703		2012 actual	2013 CR	2014 est.
3200	Obligated balance, end of year .....	882	1,106	1,371
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	482	485	715
Outlays, gross:				
4010	Outlays from new discretionary authority .....	23	88	129
4011	Outlays from discretionary balances .....	527	328	299
4020	Outlays, gross (total) .....	550	416	428
4180	Budget authority, net (total) .....	482	485	715
4190	Outlays, net (total) .....	550	416	428

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

Object Classification (in millions of dollars)

Identification code 36-0111-0-1-703		2012 actual	2013 CR	2014 est.
Direct obligations:				
25.2	Other services from non-Federal sources .....	16	37	37
26.0	Supplies and materials .....		5	5
31.0	Equipment .....		3	3
32.0	Land and structures .....	492	595	648
99.9	Total new obligations .....	508	640	693

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in State homes, for furnishing care to veterans as authorized by sections 8131 through 8137 of title 38, United States Code, \$82,650,000, to remain available until expended.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0001	Grants for construction of state extended care facilities .....	67	188	103
0900	Total new obligations (object class 41.0) .....	67	188	103
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	114	132	30
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	85	86	83
1160	Appropriation, discretionary (total) .....	85	86	83
1930	Total budgetary resources available .....	199	218	113
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	132	30	10
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	313	179	262
3010	Obligations incurred, unexpired accounts .....	67	188	103
3020	Outlays (gross) .....	-201	-105	-93
3050	Unpaid obligations, end of year .....	179	262	272
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	313	179	262

3200	Obligated balance, end of year .....	179	262	272
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	85	86	83
Outlays, gross:				
4010	Outlays from new discretionary authority .....		2	2
4011	Outlays from discretionary balances .....	201	103	91
4020	Outlays, gross (total) .....	201	105	93
4180	Budget authority, net (total) .....	85	86	83
4190	Outlays, net (total) .....	201	105	93

GRANTS FOR CONSTRUCTION OF VETERANS CEMETERIES

For grants to assist States and tribal organizations in establishing, expanding, or improving veterans cemeteries as authorized by section 2408 of title 38, United States Code, \$44,650,000, to remain available until expended.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0001	Grants for construction of state veterans cemeteries .....	47	51	45
0900	Total new obligations (object class 41.0) .....	47	51	45
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	6	5	
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	46	46	45
1160	Appropriation, discretionary (total) .....	46	46	45
1930	Total budgetary resources available .....	52	51	45
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	5		
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	68	87	105
3010	Obligations incurred, unexpired accounts .....	47	51	45
3020	Outlays (gross) .....	-28	-33	-32
3050	Unpaid obligations, end of year .....	87	105	118
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	68	87	105
3200	Obligated balance, end of year .....	87	105	118
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	46	46	45
Outlays, gross:				
4010	Outlays from new discretionary authority .....		25	24
4011	Outlays from discretionary balances .....	28	8	8
4020	Outlays, gross (total) .....	28	33	32
4180	Budget authority, net (total) .....	46	46	45
4190	Outlays, net (total) .....	28	33	32

VETERANS EMPLOYMENT AND INFRASTRUCTURE ENHANCEMENT TRANSFER FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0157-4-1-702	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0101 Obligations by program activity			75
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation			1,000
1260 Appropriations, mandatory (total)			1,000
1930 Total budgetary resources available			1,000
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year			925
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts			75
3020 Outlays (gross)			-50
3050 Unpaid obligations, end of year			25
Memorandum (non-add) entries:			
3200 Obligated balance, end of year			25
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross			1,000
Outlays, gross:			
4100 Outlays from new mandatory authority			50
4180 Budget authority, net (total)			1,000
4190 Outlays, net (total)			50

This legislative proposal provides funding to the Department of Veterans Affairs to coordinate an interagency process and transfer up to \$1 billion in mandatory funding over five years to establish the Veterans Job Corps. Funding will enable veterans to leverage skills developed in the military in jobs on the country's public lands and in its communities, ranging from conservation and infrastructure projects to law enforcement and first responder jobs, such as park rangers, police officers, and firefighters.

Object Classification (in millions of dollars)

Identification code 36-0157-4-1-702	2012 actual	2013 CR	2014 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent			1
Allocation Account - direct:			
11.1 Personnel compensation: Full-time permanent			4
12.1 Civilian personnel benefits			1
25.2 Other services from non-Federal sources			59
31.0 Equipment			10
99.0 Allocation account - direct			74
99.9 Total new obligations			75

Employment Summary

Identification code 36-0157-4-1-702	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment			5

GENERAL ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-Wide capital planning, management and policy activities, uniforms, or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reim-

bursement of the General Services Administration for security guard services, \$403,023,000, of which not to exceed \$20,151,150 shall remain available until September 30, 2015: Provided, That funds provided under this heading may be transferred to "General operating expenses, Veterans Benefits Administration".

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0142-0-1-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0014 General administration	416	435	403
0806 General administration, reimbursable program	405	424	523
0900 Total new obligations	821	859	926
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	1	16	
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation	417	419	403
1160 Appropriation, discretionary (total)	417	419	403
Spending authority from offsetting collections, discretionary:			
1700 Collected	426	424	523
1750 Spending auth from offsetting collections, disc (total)	426	424	523
1900 Budget authority (total)	843	843	926
1930 Total budgetary resources available	844	859	926
Memorandum (non-add) entries:			
1940 Unobligated balance expiring	-7		
1941 Unexpired unobligated balance, end of year	16		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	1	112	137
3010 Obligations incurred, unexpired accounts	821	859	926
3020 Outlays (gross)	-710	-834	-920
3050 Unpaid obligations, end of year	112	137	143
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	1	112	137
3200 Obligated balance, end of year	112	137	143
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross	843	843	926
Outlays, gross:			
4010 Outlays from new discretionary authority	710	761	846
4011 Outlays from discretionary balances		73	74
4020 Outlays, gross (total)	710	834	920
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	-426	-424	-523
4180 Budget authority, net (total)	417	419	403
4190 Outlays, net (total)	284	410	397

Identification code 36-0142-0-1-705	2012 actual	2013 CR	2014 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent			1
Allocation Account - direct:			
11.1 Personnel compensation: Full-time permanent			4
12.1 Civilian personnel benefits			1
25.2 Other services from non-Federal sources			59
31.0 Equipment			10
99.0 Allocation account - direct			74
99.9 Total new obligations			75

Identification code 36-0142-0-1-705	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment			5

General Administration.— Includes departmental executive direction, departmental support offices, the General Counsel, and the Board of Veterans' Appeals. The Pershing Hall Revolving Fund was created to operate and manage Pershing Hall, an asset of the United States, located in Paris, France. All operating expenses for Pershing Hall are borne by the revolving fund and all receipts generated by the operation of Pershing Hall are deposited in the revolving fund.

Object Classification (in millions of dollars)

Identification code 36-0142-0-1-705	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	215	238	242
11.5 Other personnel compensation	5	7	7
11.9 Total personnel compensation	220	245	249

GENERAL ADMINISTRATION—Continued  
Object Classification—Continued

Identification code 36-0142-0-1-705		2012 actual	2013 CR	2014 est.
12.1	Civilian personnel benefits .....	64	68	69
13.0	Benefits for former personnel .....	1	1	1
21.0	Travel and transportation of persons .....	6	7	6
22.0	Transportation of things .....	1	1	1
23.1	Rent .....	27	30	27
23.2	Rental payments to others .....	2	1	1
23.3	Communications, utilities, and miscellaneous charges .....	2	4	4
24.0	Printing and reproduction .....	1	2	2
25.2	Other services from non-Federal sources .....	80	62	29
26.0	Supplies and materials .....	2	3	3
31.0	Equipment .....	2	1	1
41.0	Grants, subsidies, and contributions .....	9	10	10
99.0	Direct obligations .....	416	435	403
99.0	Reimbursable obligations .....	405	424	523
99.9	Total new obligations .....	821	859	926

Employment Summary

Identification code 36-0142-0-1-705		2012 actual	2013 CR	2014 est.
1001	Direct civilian full-time equivalent employment .....	2,108	2,253	2,267
2001	Reimbursable civilian full-time equivalent employment .....	864	975	1,067

GENERAL OPERATING EXPENSES, VETERANS BENEFITS ADMINISTRATION

For necessary operating expenses of the Veterans Benefits Administration, not otherwise provided for, including hire of passenger motor vehicles, reimbursement of the General Services Administration for security guard services, and reimbursement of the Department of Defense for the cost of overseas employee mail, \$2,455,490,000: Provided, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: Provided further, That of the funds made available under this heading, not to exceed \$123,000,000 shall remain available until September 30, 2015: Provided further, That from the funds made available under this heading, the Veterans Benefits Administration may purchase (on a one-for-one replacement basis only) up to two passenger motor vehicles for use in operations of that Administration in Manila, Philippines.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705		2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>				
0010	Compensation and pensions .....	1,672	1,776	1,943
0011	Education .....	196	198	202
0012	Vocational rehabilitation and counseling .....	168	210	309
0013	Insurance .....	1	1	1
0014	General Administration .....	16		
0799	Total direct obligations .....	2,053	2,185	2,455
0801	Compensation and pensions .....	217	261	242
0802	Education .....	1	1	1
0804	Insurance .....	30	34	34
0805	Housing .....	119	132	123
0899	Total reimbursable obligations .....	367	428	400
0900	Total new obligations .....	2,420	2,613	2,855
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	12		

1012	Unobligated balance transfers between expired and unexpired accounts .....	32	21	
1050	Unobligated balance (total) .....	44	21	
Budget authority:				
Appropriations, discretionary:				
1100	Appropriation .....	2,019	2,164	2,455
1160	Appropriation, discretionary (total) .....	2,019	2,164	2,455
Spending authority from offsetting collections, discretionary:				
1700	Collected .....	368	428	400
1750	Spending auth from offsetting collections, disc (total) .....	368	428	400
1900	Budget authority (total) .....	2,387	2,592	2,855
1930	Total budgetary resources available .....	2,431	2,613	2,855
Memorandum (non-add) entries:				
1940	Unobligated balance expiring .....	-11		

Change in obligated balance:

Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	543	403	478
3010	Obligations incurred, unexpired accounts .....	2,420	2,613	2,855
3011	Obligations incurred, expired accounts .....	-39		
3020	Outlays (gross) .....	-2,512	-2,538	-2,698
3041	Recoveries of prior year unpaid obligations, expired .....	-9		
3050	Unpaid obligations, end of year .....	403	478	635
Uncollected payments:				
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-1		
3071	Change in uncollected pymts, Fed sources, expired .....	1		
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	542	403	478
3200	Obligated balance, end of year .....	403	478	635

Budget authority and outlays, net:

Discretionary:				
4000	Budget authority, gross .....	2,387	2,592	2,855
Outlays, gross:				
4010	Outlays from new discretionary authority .....	2,207	2,157	2,359
4011	Outlays from discretionary balances .....	305	381	339
4020	Outlays, gross (total) .....	2,512	2,538	2,698
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources .....	-368	-428	-400
4180	Budget authority, net (total) .....	2,019	2,164	2,455
4190	Outlays, net (total) .....	2,144	2,110	2,298

General Operating Expenses, Veterans Benefits Administration.—The total cost of administering veterans insurance programs is funded through direct appropriations to this account and through reimbursements from the insurance trust fund. This appropriation provides for the Department's top management direction and administrative support, including fiscal, personnel, and legal services, as well as for the administration of veteran benefits.

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

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-705		2012 actual	2013 CR	2014 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent .....	1,188	1,229	1,260
11.5	Other personnel compensation .....	72	74	76
11.9	Total personnel compensation .....	1,260	1,303	1,336
12.1	Civilian personnel benefits .....	393	408	423
13.0	Benefits for former personnel .....	2	2	2
21.0	Travel and transportation of persons .....	29	29	32
22.0	Transportation of things .....	2	2	2
23.1	Rent .....	117	120	112
23.2	Rental payments to others .....	19	22	28
23.3	Communications, utilities, and miscellaneous charges .....	22	30	37
24.0	Printing and reproduction .....	2	4	3
25.2	Other services from non-Federal sources .....	187	236	453
26.0	Supplies and materials .....	11	9	10
31.0	Equipment .....	9	19	16
42.0	Insurance claims and indemnities .....		1	1
99.0	Direct obligations .....	2,053	2,185	2,455
99.0	Reimbursable obligations .....	367	428	400

99.9	Total new obligations .....	2,420	2,613	2,855
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**Employment Summary**

Identification code 36-0151-0-1-705	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	18,964	19,336	19,437
2001 Reimbursable civilian full-time equivalent employment .....	1,361	1,421	1,414

**OFFICE OF INSPECTOR GENERAL**

*For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. App.), \$116,411,000, of which \$6,000,000 shall remain available until September 30, 2015.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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

Identification code 36-0170-0-1-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0101 Direct program .....	112	113	116
0192 Total direct program .....	112	113	116
0801 Reimbursable program .....	4	5	5
0900 Total new obligations .....	116	118	121

**Budgetary Resources:**

Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	112	113	116
1160 Appropriation, discretionary (total) .....	112	113	116
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	4	5	5
1750 Spending auth from offsetting collections, disc (total) .....	4	5	5
1900 Budget authority (total) .....	116	118	121
1930 Total budgetary resources available .....	116	118	121

**Change in obligated balance:**

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	28	28	26
3010 Obligations incurred, unexpired accounts .....	116	118	121
3020 Outlays (gross) .....	-116	-120	-118
3050 Unpaid obligations, end of year .....	28	26	29
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	28	28	26
3200 Obligated balance, end of year .....	28	26	29

**Budget authority and outlays, net:**

Discretionary:			
4000 Budget authority, gross .....	116	118	121
Outlays, gross:			
4010 Outlays from new discretionary authority .....	97	96	96
4011 Outlays from discretionary balances .....	19	24	22
4020 Outlays, gross (total) .....	116	120	118
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-4	-5	-5
4180 Budget authority, net (total) .....	112	113	116
4190 Outlays, net (total) .....	112	115	113

This appropriation provides for carrying out the independent oversight responsibilities of the *Inspector General Act of 1978*. This oversight includes VA-wide audit, investigation, health care inspection, and management support functions to identify and report weaknesses and deficiencies that create conditions for actual or potential fraud and other criminal activity, mismanagement, and waste in VA programs and operations. The audit function plans and conducts internal programmatic and financial

audits and evaluations of all facets of VA operations. The health care inspection function performs legislatively mandated medical care quality assurance reviews and oversight of VA health care programs. The investigative function performs criminal and administrative investigations of improper and illegal activities involving VA operations, personnel, beneficiaries, and other parties.

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

Identification code 36-0170-0-1-705	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	63	63	65
11.5 Other personnel compensation .....	5	5	5
11.9 Total personnel compensation .....	68	68	70
12.1 Civilian personnel benefits .....	22	22	22
21.0 Employee Travel .....	5	5	5
23.1 Rental payments to GSA .....	5	4	4
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services from non-Federal sources .....	9	12	12
31.0 Equipment .....	2	1	2
99.0 Direct obligations .....	112	113	116
99.0 Reimbursable obligations .....	4	5	5
99.9 Total new obligations .....	116	118	121

**Employment Summary**

Identification code 36-0170-0-1-705	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	612	610	610
2001 Reimbursable civilian full-time equivalent employment .....	25	29	29

**INFORMATION TECHNOLOGY SYSTEMS**

*For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; for pay and associated costs; and for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by section 3109 of title 5, United States Code, \$3,683,344,000, plus reimbursements: Provided, That \$1,026,400,000 shall be for pay and associated costs, of which not to exceed five percent of this amount shall remain available until September 30, 2015: Provided further, That \$2,161,653,000 shall be for operations and maintenance, of which not to exceed ten percent of this amount shall remain available until September 30, 2015: Provided further, That \$495,291,000 shall be for information technology systems development, modernization, and enhancement, and shall remain available until September 30, 2015: Provided further, That amounts made available for salaries and expenses, operations and maintenance, and information technology systems development, modernization, and enhancement may be transferred among the three subaccounts after the Secretary of Veterans Affairs submits notice thereof to the Committees on Appropriations of both Houses of Congress.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution as well as amounts from P.L. 113-2, the Disaster Relief Appropriations Act, 2013 (no language shown).

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

Identification code 36-0167-0-1-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Development .....	590	547	495
0002 Operations and maintenance .....	1,632	1,638	2,162
0003 Administrative and salaries .....	955	979	1,026
0799 Total direct obligations .....	3,177	3,164	3,683
0801 Development .....	28	20	130
0802 Operations and maintenance .....	30	78	44

INFORMATION TECHNOLOGY SYSTEMS—Continued  
Program and Financing—Continued

Identification code 36-0167-0-1-705	2012 actual	2013 CR	2014 est.
0803 Administrative and salaries .....	14	12	13
0899 Total reimbursable obligations .....	72	110	187
0900 Total new obligations .....	3,249	3,274	3,870
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	112	33	
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	3,111	3,131	3,683
1120 Appropriations transferred to other accts [36-0169] .....	-7		
1160 Appropriation, discretionary (total) .....	3,104	3,131	3,683
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	72	110	187
1701 Change in uncollected payments, Federal sources .....	-5		
1750 Spending auth from offsetting collections, disc (total) .....	67	110	187
1900 Budget authority (total) .....	3,171	3,241	3,870
1930 Total budgetary resources available .....	3,283	3,274	3,870
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-1		
1941 Unexpired unobligated balance, end of year .....	33		
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1,791	1,634	1,906
3010 Obligations incurred, unexpired accounts .....	3,249	3,274	3,870
3011 Obligations incurred, expired accounts .....	-68		
3020 Outlays (gross) .....	-3,338	-3,002	-3,689
3050 Unpaid obligations, end of year .....	1,634	1,906	2,087
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-5		
3070 Change in uncollected pymts, Fed sources, unexpired .....	5		
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	1,786	1,634	1,906
3200 Obligated balance, end of year .....	1,634	1,906	2,087
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	3,171	3,241	3,870
Outlays, gross:			
4010 Outlays from new discretionary authority .....	1,879	1,920	2,351
4011 Outlays from discretionary balances .....	1,459	1,082	1,338
4020 Outlays, gross (total) .....	3,338	3,002	3,689
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-72	-110	-187
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired .....	5		
4070 Budget authority, net (discretionary) .....	3,104	3,131	3,683
4080 Outlays, net (discretionary) .....	3,266	2,892	3,502
4180 Budget authority, net (total) .....	3,104	3,131	3,683
4190 Outlays, net (total) .....	3,266	2,892	3,502

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

*Development.*—The Office of Information & Technology invests in projects designed to improve the delivery of VA services and benefits for veterans and their families. The Veterans Benefits Management System's development continues to progress and has seen successes in the early phase deliverables to date. This account also supports improvements to VA's financial and management systems as well as inter-agency efforts such as the development of the Virtual Lifetime Electronic Record and the In-

tegrated Electronic Health Record with the Department of Defense.

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

Object Classification (in millions of dollars)

Identification code 36-0167-0-1-705	2012 actual	2013 CR	2014 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	621	640	662
12.1 Civilian personnel benefits .....	180	187	194
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	13	12	15
23.3 Communications, utilities, and miscellaneous charges .....	577	403	403
25.2 Other services from non-Federal sources .....	1,285	1,581	2,068
25.3 Other goods and services from Federal sources .....	1	1	1
26.0 Supplies and materials .....	7	10	10
31.0 Equipment .....	486	327	327
32.0 Land and structures .....	6	2	2
99.0 Direct obligations .....	3,177	3,164	3,683
99.0 Reimbursable obligations .....	72	110	187
99.9 Total new obligations .....	3,249	3,274	3,870

Employment Summary

Identification code 36-0167-0-1-705	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	7,210	7,435	7,355
2001 Reimbursable civilian full-time equivalent employment .....	101	101	104

NATIONAL CEMETERY ADMINISTRATION

*For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; hire of passenger motor vehicles; and repair, alteration or improvement of facilities under the jurisdiction of the National Cemetery Administration, \$250,000,000, of which not to exceed \$25,000,000 shall remain available until September 30, 2015.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution as well as amounts from P.L. 113-2, the Disaster Relief Appropriations Act, 2013 (no language shown).

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0201 Administrative expenses .....	253	256	250
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	1	1	
1012 Unobligated balance transfers between expired and unexpired accounts .....	6		
1050 Unobligated balance (total) .....	7	1	
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	251	255	250
1160 Appropriation, discretionary (total) .....	251	255	250
1930 Total budgetary resources available .....	258	256	250
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-4		
1941 Unexpired unobligated balance, end of year .....	1		

Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	111	108	116
3010 Obligations incurred, unexpired accounts .....	253	256	250

3011	Obligations incurred, expired accounts .....	2		
3020	Outlays (gross) .....	-255	-248	-248
3041	Recoveries of prior year unpaid obligations, expired .....	-3		
3050	Unpaid obligations, end of year .....	108	116	118
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	111	108	116
3200	Obligated balance, end of year .....	108	116	118
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	251	255	250
Outlays, gross:				
4010	Outlays from new discretionary authority .....	178	199	193
4011	Outlays from discretionary balances .....	77	49	55
4020	Outlays, gross (total) .....	255	248	248
4180	Budget authority, net (total) .....	251	255	250
4190	Outlays, net (total) .....	255	248	248

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

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

Note.—Total obligations reported include the net of recoveries of prior year paid and unpaid obligations while VA is in the process of modifying its financial system to record recoveries consistent with OMB Circular No. A-11.

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

Identification code 36-0129-0-1-705	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	93	98	101

11.3	Other than full-time permanent .....	4	4	4
11.9	Total personnel compensation .....	97	102	105
12.1	Civilian personnel benefits .....	32	34	35
21.0	Travel and transportation of persons .....	3	3	3
22.0	Transportation of things .....	2	2	2
23.1	Rent .....	3	2	2
23.3	Communications, utilities, and miscellaneous charges .....	7	7	7
24.0	Printing and reproduction .....	1	2	2
25.2	Other services from non-Federal sources .....	89	85	74
26.0	Supplies and materials .....	9	10	10
31.0	Equipment .....	8	6	7
32.0	Land and structures .....	2	3	3
99.9	Total new obligations .....	253	256	250

**Employment Summary**

Identification code 36-0129-0-1-705	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	1,652	1,700	1,719

**SUPPLY FUND**

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

Identification code 36-4537-0-4-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Reimbursable program-COGS-Merchandizing .....	883	879	883
0802 Reimbursable program-Other-Operations .....	234	387	407
0803 Reimbursable program-COGS-Printing and publications .....	10	30	50
0804 Reimbursable program-Other .....		200	210
0805 Reimbursable program-Equipment-Procurement services and distribution .....		494	550
0900 Total new obligations .....	1,127	1,990	2,100
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	653	822	822
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	1,077	1,990	2,100
1801 Change in uncollected payments, Federal sources .....	219		
1850 Spending auth from offsetting collections, mand (total) .....	1,296	1,990	2,100
1930 Total budgetary resources available .....	1,949	2,812	2,922
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	822	822	822
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	931	916	1,706
3010 Obligations incurred, unexpired accounts .....	1,127	1,990	2,100
3020 Outlays (gross) .....	-1,142	-1,200	-2,100
3050 Unpaid obligations, end of year .....	916	1,706	1,706
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-1,210	-1,429	-1,429
3070 Change in uncollected pymts, Fed sources, unexpired .....	-219		
3090 Uncollected pymts, Fed sources, end of year .....	-1,429	-1,429	-1,429
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	-279	-513	277
3200 Obligated balance, end of year .....	-513	277	277
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	1,296	1,990	2,100
Outlays, gross:			
4101 Outlays from mandatory balances .....	1,142	1,200	2,100
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-925	-1,990	-2,100
4123 Non-Federal sources .....	-152		
4130 Offsets against gross budget authority and outlays (total) .....	-1,077	-1,990	-2,100
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired .....	-219		
4170 Outlays, net (mandatory) .....	65	-790	
4190 Outlays, net (total) .....	65	-790	

SUPPLY FUND—Continued

Under the provisions of 38 U.S.C. 8121, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. In this capacity, it provides policy and oversight to VA's acquisition and logistics programs, and provides best value acquisition of goods and services through its National Acquisition Center, Denver Acquisition and Logistics Center, Service and Distribution Center, Technology Acquisition Center and Strategic Acquisition Center. Operating as an intra-governmental revolving fund without fiscal year limitations, the Supply Fund is financed by revenue from fees on acquisitions of supplies, equipment, and services for both VA and other Government agency (OGA) customers.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	2012 actual	2013 CR	2014 est.
<b>Reimbursable obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	79	92	109
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	80	93	110
12.1 Civilian personnel benefits .....	23	31	31
21.0 Travel and transportation of persons .....	9	25	12
23.1 Rental payments to GSA .....	5	4	13
23.3 Communications, utilities, and miscellaneous charges .....	7	7	4
24.0 Printing and reproduction .....	10	27	50
25.2 Other services from non-Federal sources .....	241	476	600
26.0 Supplies and materials .....	484	504	730
31.0 Equipment .....	268	823	550
99.9 Total new obligations .....	1,127	1,990	2,100

Employment Summary

Identification code 36-4537-0-4-705	2012 actual	2013 CR	2014 est.
2001 Reimbursable civilian full-time equivalent employment .....	896	1,177	1,341

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Reimbursable program .....	445	546	539
<b>Budgetary Resources:</b>			
<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1 .....	103	112	112
<b>Budget authority:</b>			
<b>Spending authority from offsetting collections, discretionary:</b>			
1700 Collected .....	424	546	539
1701 Change in uncollected payments, Federal sources .....	30		
1750 Spending auth from offsetting collections, disc (total) .....	454	546	539
1930 Total budgetary resources available .....	557	658	651
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	112	112	112
<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	158	166	166
3010 Obligations incurred, unexpired accounts .....	445	546	539
3020 Outlays (gross) .....	-437	-546	-541
3050 Unpaid obligations, end of year .....	166	166	164
<b>Uncollected payments:</b>			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-88	-118	-118
3070 Change in uncollected pymts, Fed sources, unexpired .....	-30		
3090 Uncollected pymts, Fed sources, end of year .....	-118	-118	-118
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	70	48	48
3200 Obligated balance, end of year .....	48	48	46

Budget authority and outlays, net:

<b>Discretionary:</b>			
4000 Budget authority, gross .....	454	546	539
<b>Outlays, gross:</b>			
4010 Outlays from new discretionary authority .....	176	410	404
4011 Outlays from discretionary balances .....	261	136	137
4020 Outlays, gross (total) .....	437	546	541
<b>Offsets against gross budget authority and outlays:</b>			
<b>Offsetting collections (collected) from:</b>			
4030 Federal sources .....	-424	-546	-539
<b>Additional offsets against gross budget authority only:</b>			
4050 Change in uncollected pymts, Fed sources, unexpired .....	-30		
4080 Outlays, net (discretionary) .....	13		2
4190 Outlays, net (total) .....	13		2

The VA Franchise Fund was established under the authority of the Government Management Reform Act of 1994 and the VA and Housing and Urban Development and Independent Agencies Act of 1997. VA was selected by the Office of Management and Budget (OMB) in 1996 as one of the six executive branch agencies to establish a franchise fund pilot program. Created as a revolving fund, the VA Franchise Fund began providing common administrative support services to the VA and other government agencies in 1997 on a fee-for-service basis. In 2006, under the Military Quality of Life and Veterans Affairs Appropriations Act, Public Law 109-114, permanent status was conferred upon the VA Franchise Fund. VA Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$539 million and employ 1,305 in 2014. 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	2012 actual	2013 CR	2014 est.
<b>Reimbursable obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	79	122	115
12.1 Civilian personnel benefits .....	23	31	31
21.0 Travel and transportation of persons .....	1	5	5
23.1 Rental payments to GSA .....		13	13
23.3 Communications, utilities, and miscellaneous charges .....	58	57	57
24.0 Printing and reproduction .....	6	7	7
25.2 Other services from non-Federal sources .....	232	270	270
26.0 Supplies and materials .....	2	7	7
31.0 Equipment .....	44	34	34
99.9 Total new obligations .....	445	546	539

Employment Summary

Identification code 36-4539-0-4-705	2012 actual	2013 CR	2014 est.
2001 Reimbursable civilian full-time equivalent employment .....	1,020	1,268	1,305

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 201. Any appropriation for fiscal year 2014 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred as necessary to any other of the mentioned appropriations: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress.

(INCLUDING TRANSFER OF FUNDS)

SEC. 202. Amounts made available for the Department of Veterans Affairs for fiscal year 2014, in this Act or any other Act, under the "Medical services", "Medical support and compliance", and "Medical facilities" accounts may be transferred among the accounts: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress.

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

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

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

SEC. 206. Appropriations available in this title for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 2013.

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

(INCLUDING TRANSFER OF FUNDS)

SEC. 208. Notwithstanding any other provision of law, during fiscal year 2014, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund under section 1920 of title 38, United States Code, the Veterans' Special Life Insurance Fund under section 1923 of title 38, United States Code, and the United States Government Life Insurance Fund under section 1955 of title 38, United States Code, reimburse the "General operating expenses, Veterans Benefits Administration" and "Information technology systems" accounts for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in such an insurance program during fiscal year 2014 that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of such an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 2014 which is properly allocable to the provision of each such insurance program and to the provision of any total disability income insurance included in that insurance program.

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

(INCLUDING TRANSFER OF FUNDS)

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

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

SEC. 212. No funds of the Department of Veterans Affairs shall be available for hospital care, nursing home care, or medical services provided

to any person under chapter 17 of title 38, United States Code, for a non-service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title: Provided, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required: Provided further, That any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts are received.

(INCLUDING TRANSFER OF FUNDS)

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

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

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

(INCLUDING TRANSFER OF FUNDS)

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

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

(INCLUDING TRANSFER OF FUNDS)

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

(INCLUDING TRANSFER OF FUNDS)

SEC. 218. Amounts made available under the "Medical services", "Medical support and compliance", "Medical facilities", "General operating expenses, Veterans Benefits Administration", "General administration", and "National Cemetery Administration" accounts for fiscal year 2014, may be transferred to or from the "Information technology systems" account: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress.

(INCLUDING TRANSFER OF FUNDS)

SEC. 219. Amounts made available for the "Information technology systems" account for development, modernization, and enhancement may be transferred between projects or to newly defined projects: Provided, That no project may be increased or decreased by more than \$3,000,000 of cost prior to submitting notice thereof to the Committees on Appropriations of both Houses of Congress.

SEC. 220. None of the funds appropriated or otherwise made available by this Act or any other Act for the Department of Veterans Affairs may be used in a manner that is inconsistent with: (1) section 842 of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Public Law 109–115; 119 Stat. 2506); or (2) section 8110(a)(5) of title 38, United States Code.

(INCLUDING TRANSFER OF FUNDS)

SEC. 221. Of the amounts appropriated to the Department of Veterans Affairs for fiscal year 2014 for "Medical services", "Medical support and compliance", "Medical facilities", "Construction, minor projects", and "Information technology systems", up to \$254,257,000, plus reimbursements, may be transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 3571) and may be used for operation of the facilities designated as combined Federal medical facilities as described by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4500): Provided, That additional funds may be transferred from accounts designated in this section to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund upon written notification by the Secretary of Veterans Affairs to the Committees on Appropriations of both Houses of Congress.

(INCLUDING TRANSFER OF FUNDS)

SEC. 222. Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, for health care provided at facilities designated as combined Federal medical facilities as described by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4500) shall also be available: (1) for transfer to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 3571); and (2) for operations of the facilities designated as combined Federal medical facilities as described by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4500).

(INCLUDING TRANSFER OF FUNDS)

SEC. 223. Of the amounts available in this title for "Medical services", "Medical support and compliance", and "Medical facilities", a minimum of \$15,000,000, shall be transferred to the DOD-VA Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code.

(INCLUDING CANCELLATIONS OF FUNDS)

SEC. 224. (a) Of the discretionary funds made available to the Department of Veterans Affairs for fiscal year 2014, the following amounts which became available on October 1, 2013, are hereby permanently cancelled from the following accounts in the amounts specified:

- (1) "Department of Veterans Affairs, Medical services", \$1,400,000,000.
  - (2) "Department of Veterans Affairs, Medical support and compliance", \$100,000,000.
  - (3) "Department of Veterans Affairs, Medical facilities", \$250,000,000.
- (b) In addition to amounts provided elsewhere in this Act, an additional amount is appropriated to the following accounts in the amounts specified to remain available until September 30, 2015:
- (1) "Department of Veterans Affairs, Medical services", \$1,400,000,000.
  - (2) "Department of Veterans Affairs, Medical support and compliance", \$100,000,000.
  - (3) "Department of Veterans Affairs, Medical facilities", \$250,000,000.

## GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2012 actual	2013 CR	2014 est.
Offsetting receipts from the public:			
36-143500 General Fund Proprietary Interest Receipts, not Otherwise Classified .....	5	6	7
36-247300 Contributions from Military Personnel, Veteran's Educational Assistance Act of 1984 .....	149	128	107
36-273330 Housing Downward Reestimates .....	92	53	.....
36-275110 Native American Veteran Housing Loans, Negative Subsidies .....	1	2	2
36-275130 Native American Direct Loans, Downward Reestimate of Subsidies .....	5	3	.....
36-275510 Housing Negative Subsidies .....	211	141	102
36-322000 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts .....	87	40	40
General Fund Offsetting receipts from the public .....	550	373	258
Intragovernmental payments:			
36-388500 Undistributed Intragovernmental Payments and Receivables from Cancelled Accounts .....	5	5	5
General Fund Intragovernmental payments .....	5	5	5

## TITLE V—GENERAL PROVISIONS

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

SEC. 502. 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. 503. Such sums as may be necessary for fiscal year 2013 for pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 504. All departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of "E-Commerce" technologies and procedures in the conduct of their business practices and public service activities.

SEC. 505. Unless stated otherwise, all reports and notifications required by this Act shall be submitted to the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives and the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate.

SEC. 506. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government except pursuant to a transfer made by, or transfer authority provided in, this or any other appropriations Act.

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

SEC. 508. (a) Any agency receiving funds made available in this Act, shall, subject to subsections (b) and (c), post on the public website of that agency any report required to be submitted by the Congress in this or any other Act, upon the determination by the head of the agency that it shall serve the national interest.

(b) Subsection (a) shall not apply to a report if—

- (1) the public posting of the report compromises national security; or
- (2) the report contains confidential or proprietary information.

(c) The head of the agency posting such report shall do so only after such report has been made available to the requesting Committee or Committees of Congress for no less than 45 days.

SEC. 509. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

(b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other

*entity carrying out criminal investigations, prosecution, or adjudication activities.*

*SEC. 510. None of the funds appropriated or otherwise made available in this Act may be used by an agency of the executive branch to pay for*

*first-class travel by an employee of the agency in contravention of sections 301–10.122 through 301–10.124 of title 41, Code of Federal Regulations.*

*SEC. 511. None of the funds provided in this Act may be used to execute a contract for goods or services, including construction services, where the contractor has not complied with Executive Order No. 12989.*

