

## DEPARTMENT OF VETERANS AFFAIRS

The 1999 Budget provides \$18,895 million in discretionary budget authority for veterans' health, benefits, and other services.

### DEPARTMENT OF VETERANS AFFAIRS' IMPLEMENTATION OF THE GOVERNMENT PERFORMANCE AND RESULTS ACT

Fiscal Year 1999 will mark the first year of full implementation of the Government Performance and Results Act (GPRA). In preparing to meet this time line, in Fiscal Year 1997 the Department of Veterans Affairs (VA) completed a strategic plan covering Fiscal Years 1998 through 2003. The efforts required to prepare this plan helped strengthen VA's planning process. The Department's strategic plan was submitted to the Congress in September, 1997. In addition to providing general goals for each of VA's major programs, the plan looks across all VA programs to articulate department-wide cross-cutting goals. The strategic plan provides a comprehensive picture of what VA is striving to achieve and how progress will be measured.

The 1999 Budget contains VA's initial annual performance plan, as required by GPRA. Performance information that was previously contained in the budget appendix is now contained in the VA performance plan. The performance plan contains specific performance goals within each program that support the broader general goals in the strategic plan. VA has integrated the annual performance plan requirements into its budget request to begin to draw a closer relationship between resources and performance. Resources to accomplish performance goals for a particular program may be provided through more than one appropriation account.

## VETERANS HEALTH ADMINISTRATION

### Federal Funds

#### General and special funds:

#### MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed \$8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); **[\$17,057,396,000] \$17,027,975,000**, plus reimbursements: *Provided*, That of the funds made available under this heading, **[\$570,000,000] \$635,000,000** is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, **[1998] 1999**, and shall remain

available until September 30, **[1999] 2000**. *Provided further*, That **[of the amount made available under this heading, not to exceed \$5,000,000 shall be for a study on the cost-effectiveness of contracting with local hospitals in east central Florida for the provision of non-emergent inpatient health care needs of veterans] not to exceed 8.3 percent of the funds available under this heading shall remain available until September 30, 2000.**

In addition, in conformance with Public Law 105-33 establishing the Department of Veterans Affairs Medical Care Collections Fund, such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

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

Identification code 36-0160-0-1-703	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....		1	1
Receipts:			
02.01 Medical care collections .....		688	677
03.00 Offsetting collections .....	1		
04.00 Total: Balances and collections .....	1	689	678
Appropriation:			
05.01 Medical care .....		-688	-677
07.99 Total balance, end of year .....	1	1	1

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

Identification code 36-0160-0-1-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care .....	5,038	4,820	4,458
00.02 Rehabilitative care .....	375	325	298
00.03 Psychiatric care .....	1,384	1,294	1,200
00.04 Nursing home care .....	1,659	1,780	1,869
00.05 Subacute care .....	470	413	382
00.06 Residential care .....	265	280	290
00.07 Outpatient care .....	5,851	6,807	7,600
00.08 Miscellaneous benefits and services .....	707	714	725
00.09 CHAMPVA .....	94	97	100
00.91 Total operating expenses .....	15,843	16,530	16,922
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care .....	418	412	298
01.02 Rehabilitative care .....	30	29	21
01.03 Psychiatric care .....	106	104	75
01.04 Nursing home care .....	84	82	60
01.05 Subacute care .....	43	42	31
01.06 Residential care .....	26	26	19
01.07 Outpatient care .....	481	472	341
01.08 Miscellaneous benefits and services .....	40	39	28
01.09 CHAMPVA .....	3	3	2
01.91 Total capital investment .....	1,231	1,209	875
01.92 Total direct program .....	17,074	17,739	17,797
09.01 Reimbursable program .....	75	104	147
10.00 Total obligations .....	17,149	17,843	17,944
<b>Budgetary resources available for obligation:</b>			
Unobligated balance available, start of year:			
21.40 Uninvested .....	731	664	673
22.00 New budget authority (gross) .....	17,088	17,849	17,852
22.10 Resources available from recoveries of prior year obligations .....	1	3	3
22.30 Unobligated balance expiring .....	-8		
23.90 Total budgetary resources available for obligation .....	17,812	18,516	18,528

**General and special funds—Continued****MEDICAL CARE—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	1997 actual	1998 est.	1999 est.
23.95 New obligations .....	-17,149	-17,843	-17,944
24.40 Unobligated balance available, end of year:			
Uninvested .....	664	673	583
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation .....	17,013	17,057	17,028
40.25 Appropriation (special fund, indefinite) .....		688	677
43.00 Appropriation (total) .....	17,013	17,745	17,705
<b>Permanent:</b>			
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	76	104	147
68.45 Portion not available for obligation (limitation on obligations) .....	-1		
68.90 Spending authority from offsetting collections (total) .....	75	104	147
70.00 Total new budget authority (gross) .....	17,088	17,849	17,852
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	2,394	2,764	2,681
73.10 New obligations .....	17,149	17,843	17,944
73.20 Total outlays (gross) .....	-16,677	-17,923	-17,822
73.40 Adjustments in expired accounts .....	-102		
73.45 Adjustments in unexpired accounts .....	-1	-3	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	2,764	2,681	2,800
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	14,455	15,472	15,369
86.93 Outlays from current balances .....	2,147	2,347	2,306
86.97 Outlays from new permanent authority .....	75	104	147
87.00 Total outlays (gross) .....	16,677	17,923	17,822
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-40	-53	-75
88.40 Non-Federal sources .....	-36	-51	-72
88.90 Total, offsetting collections (cash) .....	-76	-104	-147
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17,012	17,745	17,705
90.00 Outlays .....	16,602	17,819	17,675

In accordance with the Government Performance and Results Act, VA Medical Care measures its performance through associated domains of value including: cost; access; technical quality; customer satisfaction; and functional status. Detailed performance goals can be found in the annual performance plan in VA's Budget Submission.

Public Law 105-33, the Balanced Budget Act of 1997, established the Department of Veterans Affairs Medical Care Collection Fund (MCCF) and allowed VA to retain all collections from third party insurance companies, other copayments and related medical fees. The ability for VA to retain these non-appropriated funds is critical to VA's success in providing care to veterans. As the collections are earned and deposited in the fund, they are transferred to this account, as provided for by the appropriation, and used to enhance medical care provided to veterans. For 1999, VA estimates that over \$677 million will be collected through this effort with revenues growing to over \$993 million by 2003. To accomplish this growth, VA will begin to bill usual and customary charges for inpatient and outpatient procedures, identify more patients having insurance, and improve its debt collection ef-

forts. The 1999 budget includes a legislative proposal which will permanently extend current legal provisions due to expire in FY 2003. These provisions provide for: the collection of third party health insurance payments for care provided by the VA for service-connected veterans with nonservice connected conditions, copayments, and income verification provisions.

**WORKLOAD***Provision of Veterans Health Care—*

*Acute hospital care.*—Costs for 1999 are estimated to decrease by \$464 million for operating medical, neurological, surgical, contract and State home hospital beds, reflecting the shift to increased use of ambulatory care.

Estimated operating levels are:

	1997 actual	1998 est.	1999 est.
Patients treated .....	497,547	440,985	399,409
Average daily census .....	10,461	8,523	6,964
Average employment .....	61,756	55,913	50,858

*Rehabilitative care.*—A decrease of \$34 million in 1999 is estimated for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	1997 actual	1998 est.	1999 est.
Patients treated .....	18,224	16,142	14,563
Average daily census .....	1,423	1,154	933
Average employment .....	5,293	4,653	4,068

*Psychiatric care.*—A decrease of \$121 million is estimated in 1999 for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

	1997 actual	1998 est.	1999 est.
Patients treated .....	147,117	13,312	117,564
Average daily census .....	7,919	6,424	5,192
Average employment .....	21,064	18,907	16,852

*Nursing home care.*—In 1999, an increase of \$70 million is estimated for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	1997 actual	1998 est.	1999 est.
Patients treated .....	88,657	92,370	93,935
Average daily census .....	33,805	34,088	34,611
Average employment .....	19,708	19,636	19,911

*Subacute care.*—A decrease of \$41 million is estimated in 1999 for the treatment of veterans who require a level of care between acute and long-term care, as provided in VA hospital intermediate bed sections.

	1997 actual	1998 est.	1999 est.
Patients treated .....	36,651	32,464	29,288
Average daily census .....	3,844	3,118	2,520
Average employment .....	7,736	6,705	5,690

*Residential care.*—An increase of \$3 million is estimated in 1999 for the care of veterans in locations other than their own homes, such as residential rehabilitation and domiciliary care programs.

	1997 actual	1998 est.	1999 est.
Patients treated .....	38,650	40,282	40,282
Average daily census .....	9,901	10,139	10,139
Average employment .....	3,766	3,853	3,808

*Outpatient care.*—An increase of \$686 million is estimated in 1999 for the cost of outpatient medical and dental care provided by staff, physicians, and dentists participating under a fee basis arrangement for certain eligible veterans.

**NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS**

Medical visits (in thousands):	1997 actual	1998 est.	1999 est.
Staff visits .....	30,436	32,761	34,703
Fee visits .....	1,483	1,550	1,550
Readjustment counseling .....	729	767	774
Total .....	32,648	35,078	37,027

Dental:			
Staff:			
Examinations .....	270,743	275,000	275,000
Treatments .....	152,955	155,000	155,000
Total .....	423,698	430,000	430,000
Fee: Cases completed .....	17,577	18,000	18,000
Average employment .....	60,059	66,692	72,694

**Miscellaneous benefits and services.**—This activity includes items of nondirect medical care and treatment such as beneficiary travel, care of the dead, operation of personnel quarters at medical facilities, and the cost of furnishing supply, engineering, housekeeping, and other administrative support services to other departments on a non-reimbursable basis. No funding change is estimated for 1999.

	1997 actual	1998 est.	1999 est.
Average employment .....	6,607	6,495	6,384

**Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).**—An increase of \$2 million is estimated in 1999 for private hospital and outpatient care for dependents and survivors of certain veterans.

	1997 actual	1998 est.	1999 est.
Average daily hospital census .....	154	150	150
Outpatient (in thousands) .....	838	840	840
Average employment .....	146	146	146

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

Identification code 36-0160-0-1-703	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	6,434	6,614	6,723
11.3 Other than full-time permanent .....	832	704	717
11.5 Other personnel compensation .....	791	805	810
11.9 Total personnel compensation .....	8,057	8,123	8,250
12.1 Civilian personnel benefits .....	1,894	1,958	2,006
13.0 Benefits for former personnel .....	140	106	18
Travel and transportation of persons:			
21.0 Employee travel .....	41	55	56
21.0 Beneficiary travel .....	108	112	116
21.0 Interagency motor pool payments .....	13	14	14
21.0 All other .....	31	31	32
22.0 Transportation of things .....	23	23	24
23.1 Rental payments to GSA .....	12	13	20
23.2 Rental payments to others .....	59	64	67
23.3 Communications, utilities, and miscellaneous charges .....	469	509	528
24.0 Printing and reproduction .....	9	10	10
25.2 Other contractual services .....	1,301	1,508	1,591
Medical care:			
25.6 Outpatient dental fees .....	12	13	14
25.6 Medical and nursing fees .....	285	297	309
25.6 Community nursing homes .....	284	296	318
25.6 Contract hospitalization .....	145	151	157
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs .....	90	93	95
Supplies and materials:			
26.0 Supplies and materials .....	2,551	2,817	2,929
26.0 Provisions .....	84	87	89
31.0 Equipment .....	876	861	605
32.0 Land and structures .....	355	348	270
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions .....	230	241	271
41.0 Grants to private organizations .....	4	7	7
43.0 Interest and dividends .....	1	2	1
99.0 Subtotal, direct obligations .....	17,074	17,739	17,797
99.0 Reimbursable obligations .....	75	104	147
99.9 Total obligations .....	17,149	17,843	17,944

**Personnel Summary**

Identification code 36-0160-0-1-703	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment .....	185,260	181,791	178,744
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	875	1,209	1,667

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

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

Identification code 36-0166-2-1-703	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2) .....			87
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....			87
23.95 New obligations .....			-87
New budget authority (gross), detail:			
40.00 Appropriation .....			87
Change in unpaid obligations:			
73.10 New obligations .....			87
73.20 Total outlays (gross) .....			-87
Outlays (gross), detail:			
86.90 Outlays from new current authority .....			87
Net budget authority and outlays:			
89.00 Budget authority .....			87
90.00 Outlays .....			87

This legislative proposal would authorize a new smoking-cessation program for any honorably discharged veteran who began smoking in the military. The program would be delivered by private providers on a per capita basis. Any veteran who began smoking in the military would be eligible for this new program to the extent that resources are available.

A legislative proposal to authorize this program will be transmitted with the FY 1999 budget. Once this program is authorized, the Administration will submit a budget amendment requesting an appropriation of \$87 million for this new activity.

**MEDICAL AND PROSTHETIC RESEARCH**

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, [1999, \$272,000,000] 2000, \$300,000,000, plus reimbursements. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

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

Identification code 36-0161-0-1-703	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
00.01 Medical research .....	193	230	229
00.02 Rehabilitation research .....	24	29	29
00.03 Health services research .....	26	30	31
00.91 Total operating expenses .....	243	289	289
Capital investment:			
01.01 Medical research .....	7	7	8
01.02 Rehabilitation research .....	1	1	1
01.03 Health services research .....	2	2	2
01.91 Total capital investment .....	10	10	11

**General and special funds—Continued**

**MEDICAL AND PROSTHETIC RESEARCH—Continued**

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

Identification code 36-0161-0-1-703	1997 actual	1998 est.	1999 est.
01.92 Total direct program .....	253	299	300
09.01 Reimbursable program .....	46	46	46
10.00 Total obligations .....	299	345	346
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	20	28	1
22.00 New budget authority (gross) .....	309	318	346
22.10 Resources available from recoveries of prior year obligations .....	1		
22.30 Unobligated balance expiring .....	-2		
23.90 Total budgetary resources available for obligation .....	328	346	347
23.95 New obligations .....	-299	-345	-346
24.40 Unobligated balance available, end of year:			
Uninvested .....	28	1	1
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	262	272	300
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	47	46	46
70.00 Total new budget authority (gross) .....	309	318	346
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	79	94	124
73.10 New obligations .....	299	345	346
73.20 Total outlays (gross) .....	-282	-315	-338
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	94	124	132
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	183	200	220
86.93 Outlays from current balances .....	52	69	72
86.97 Outlays from new permanent authority .....	47	46	46
87.00 Total outlays (gross) .....	282	315	338
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-47	-46	-46
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	262	272	300
90.00 Outlays .....	235	269	292

Funding for Medical and Prosthetic Research is proposed as part of the Research Fund for America. This proposal highlights the Administration's priority of providing needed and sustained investments in important Federal research programs on a deficit neutral basis. A discussion of the Research Fund for America, and two other funds for the environment and transportation, can be found in Section II of the Budget.

The Medical and Prosthetic Research account is comprised of the following three programs:

**Medical research.**—This program is comprised of investigator-initiated and special research. In addition to the broad spectrum of biomedical research projects, priority is given to research Acquired Immune Deficiency Syndrome and conditions that frequently occur among veterans such as aging, alcoholism, schizophrenia, delayed stress disorders and other mental illness, and spinal cord injury and tissue regeneration. Cooperative studies include surgical treatment of angina pectoris, adjunct treatment of diabetes, and relative potency and side-effect liability of new and marketed sedatives.

**Rehabilitation research.**—This program is dedicated to the development and application of science and technology to improve the care of physically disabled veterans through pro-

theses for the amputee, improved wheelchairs for the paralyzed, and better joint functions for the arthritic. It also includes care for those with visual, hearing, and speech disorders.

**Health services research.**—This program provides support for health services projects at Department of Veterans Affairs medical centers for improving the effectiveness and economy of delivery of health services and improving the accessibility of services to veterans.

In support of the research activities of these three programs, VA applies a variety of budgetary resources including: appropriations from the Medical Care account and reimbursements from the Department of Defense; grants from the National Institutes of Health; private proprietary sources; and, voluntary agencies which provide additional support for VA's researchers. The following table summarizes all budgetary resources for the Medical and Prosthetic Research account. Specific performance goals relating to Medical and Prosthetic Research are contained in VA's annual performance plan.

**SUMMARY OF BUDGETARY RESOURCES**

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
Medical and prosthetic research appropriation .....	262	272	300
Medical care appropriation .....	320	332	366
Federal grants (NIH) .....	226	234	258
Other grants (voluntary agencies, private proprietary) .....	156	162	179
DOD reimbursements .....	15	15	0*
Total budgetary resources .....	979	1,015	1,103

\*DoD reimbursements for FY 1999 are unknown.

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

Identification code 36-0161-0-1-703	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	34	36	39
11.3 Other than full-time permanent .....	67	67	75
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	105	107	118
12.1 Civilian personnel benefits .....	26	26	29
13.0 Benefits for former personnel .....	1	1	1
21.0 Employee travel .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
25.5 Research and development contracts .....	86	115	106
26.0 Supplies and materials .....	21	34	31
31.0 Equipment .....	10	12	11
99.0 Subtotal, direct obligations .....	253	299	300
99.0 Reimbursable obligations .....	46	46	46
99.9 Total obligations .....	299	345	346

**Personnel Summary**

Identification code 36-0161-0-1-703	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	2,430	2,428	2,580
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	527	570	579

**MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES**

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department

of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; **[\$59,860,000]** \$60,000,000, plus reimbursements. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Operating expenses: Integrated health care system administration .....	61	60	60
10.00 Total obligations .....	61	60	60
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	61	60	60
23.95 New obligations .....	-61	-60	-60
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	61	60	60
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	13	10	10
73.10 New obligations .....	61	60	60
73.20 Total outlays (gross) .....	-63	-60	-60
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	10	10	10
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	53	55	55
86.93 Outlays from current balances .....	10	5	5
87.00 Total outlays (gross) .....	63	60	60
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	61	60	60
90.00 Outlays .....	63	60	60

*Supervision and administration of VA's comprehensive and integrated healthcare system.*—Central office staff elements provide executive direction for all Departmental medical and construction programs through program development, implementation, and the administration of policies, plans, and objectives.

Object Classification (in millions of dollars)

Identification code 36-0152-0-1-703	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	35	37	37
11.3 Other than full-time permanent .....	2	3	3
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	39	42	42
12.1 Civilian personnel benefits .....	8	6	7
13.0 Benefits for former personnel .....	2		
21.0 Travel and transportation of persons: employee travel .....	1	1	1
23.1 Rental payments to GSA .....	5	5	5
23.3 Communications, utilities, and miscellaneous charges .....	1	1	
25.2 Other services .....	3	3	3
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.9 Total obligations .....	61	60	60

Personnel Summary

Identification code 36-0152-0-1-703	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	569	556	540

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Program and Financing (in millions of dollars)

Identification code 36-0163-0-1-703	1997 actual	1998 est.	1999 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	4	2	
73.20 Total outlays (gross) .....	-2	-2	
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	2		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	2	2	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	2	2	

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

No appropriation for this account was requested in FY 1998 and none is requested for FY 1999.

MEDICAL CARE COST RECOVERY FUND

Unavailable Collections (in millions of dollars)

Identification code 36-5014-0-2-703	1997 actual	1998 est.	1999 est.
<b>Balance, start of year:</b>			
01.99 Balance, start of year .....	528	486	
<b>Receipts:</b>			
02.01 Medical cost recovery .....	65	-486	
04.00 Total: Balances and collections .....	593		
<b>Appropriation:</b>			
05.01 Medical care cost recovery fund .....	-107		
07.99 Total balance, end of year .....	486		

Program and Financing (in millions of dollars)

Identification code 36-5014-0-2-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.09 Operating expenses .....	111		
00.10 Capital investment .....	2		
10.00 Total obligations .....	113		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	14	9	
22.00 New budget authority (gross) .....	107		
22.40 Capital transfer to general fund .....		-9	
23.90 Total budgetary resources available for obligation .....	121		
23.95 New obligations .....	-113		
24.40 Unobligated balance available, end of year: Uninvested .....	9		
<b>New budget authority (gross), detail:</b>			
60.25 Appropriation (special fund, indefinite) .....	107		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	23	13	
73.10 New obligations .....	113		
73.20 Total outlays (gross) .....	-123		
73.40 Adjustments in expired accounts .....	-1	-13	
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	13		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	16		
86.97 Outlays from new permanent authority .....	107		
87.00 Total outlays (gross) .....	123		

**General and special funds—Continued**

**MEDICAL CARE COST RECOVERY FUND—Continued**

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

Identification code 36-5014-0-2-703	1997 actual	1998 est.	1999 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	107		
90.00 Outlays .....	123		

The Medical Care Cost Recovery (MCCR) Fund was established by the Omnibus Budget Reconciliation Act of 1990, P.L. 100-508. This Fund served as a depository for all third-party insurance collections. Of these funds, a portion was utilized to provide for FTE and other administrative costs associated with medical care cost recovery efforts. After providing the estimated cost of operations for the ensuing year, remaining funds were transferred to the Department of Treasury before January of the next year. Public Law 105-33, the Balanced Budget Act of 1997, established the Medical Care Collections Fund (MCCF) and terminated MCCR and required that amounts collected or recovered after June 30, 1997 be deposited in the new fund. The amounts collected will be available only for: (1) furnishing VA medical care and services during any fiscal year, and (2) for VA expenses for identification, billing, auditing and collections of amounts owed the government.

While the MCCR Fund reflects the program costs of both third-party and copayment activities, the receipts only reflect third-party recoveries. The table below presents the complete relationship between the costs of MCCR activities and the total collections, regardless of source, resulting from these activities.

	[In millions of dollars]		
	1997 actual	1998 est.	1999 est.
<i>Program activity</i>			
Third-party recoveries .....	450		
Copayments and other collections .....	70		
Total collections .....	520		
Total program costs .....	113		
Ratio of costs to collections (in percent) .....	21.7		

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

Identification code 36-5014-0-2-703	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	57		
11.5 Other personnel compensation .....	15		
11.9 Total personnel compensation .....	72		
12.1 Civilian personnel benefits .....	17		
21.0 Travel and transportation of persons .....	3		
23.3 Communications, utilities, and miscellaneous charges .....	3		
25.2 Other services .....	8		
26.0 Supplies and materials .....	8		
31.0 Equipment .....	2		
99.9 Total obligations .....	113		

**Personnel Summary**

Identification code 36-5014-0-2-703	1997 actual	1998 est.	1999 est.
1011 Total compensable workyears: Exempt Full-time equivalent employment .....	2,239		

**Public enterprise funds:**

**MEDICAL FACILITIES REVOLVING FUND**

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

Identification code 36-4138-0-3-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable operating costs .....	1	2	1
09.02 Reimbursable capital expenses .....	1	2	2
09.09 Total reimbursable program .....	2	4	3
10.00 Total obligations .....	2	4	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	6	6	3
22.00 New budget authority (gross) .....	2		
23.90 Total budgetary resources available for obligation .....	8	6	3
23.95 New obligations .....	-2	-4	-3
24.40 Unobligated balance available, end of year:			
Uninvested .....	6	3	
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	2		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....			2
73.10 New obligations .....	2	4	3
73.20 Total outlays (gross) .....	-2	-2	-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....		2	3
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	2	2	2
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-2		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		2	2

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

Legislation authorizing the transfer of pension funds in excess of \$90 per month from the Compensation and Pension (C&P) account, in accordance with the provisions of Title 38 U.S.C., Section 5503(a)(1)(B), expired on September 30, 1997. Veterans' pensions will continue to be reduced in accordance with the law and those funds will remain in the C&P account. Funds cannot be transferred to the Medical Facilities Revolving Fund until Congress reauthorizes an extension.

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

Identification code 36-4138-0-3-703	1997 actual	1998 est.	1999 est.
26.0 Supplies and materials .....	1	2	1
31.0 Equipment .....	1	2	2
99.9 Total obligations .....	2	4	3

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable operating expenses .....	121	132	133
09.02 Reimbursable direct operations .....	81	88	88
09.09 Total reimbursable program .....	202	220	221
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold .....	6	6	6
10.00 Total obligations .....	208	226	227
<b>Budgetary resources available for obligation:</b>			
Unobligated balance available, start of year:			
21.40 Uninvested .....	-14	-22	-21
21.41 U.S. Securities: Par value .....	42	38	39
21.99 Total unobligated balance, start of year .....	28	16	18
22.00 New budget authority (gross) .....	195	228	229
23.90 Total budgetary resources available for obligation .....	223	244	247
23.95 New obligations .....	-208	-226	-227
Unobligated balance available, end of year:			
24.40 Uninvested .....	-22	-21	-20
24.41 U.S. Securities: Par value .....	38	39	40
24.99 Total unobligated balance, end of year .....	16	18	20
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	195	228	229
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year: Obligated balance:			
72.40 Uninvested .....	14	23	23
73.10 New obligations .....	208	226	227
73.20 Total outlays (gross) .....	-198	-226	-226
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	23	23	24
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	195	225	225
86.98 Outlays from permanent balances .....	3	1	1
87.00 Total outlays (gross) .....	198	226	226
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-2	-2	-2
88.40 Non-Federal sources .....	-193	-226	-227
88.90 Total, offsetting collections (cash) .....	-195	-228	-229
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	3	-2	-3

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

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

Statement of Operations (in millions of dollars)

Identification code 36-4014-0-3-705	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	209	195	226	225
0102 Expense .....	-206	-193	-222	-223
0109 Net income or loss (-) .....	3	2	4	2

Balance Sheet (in millions of dollars)

Identification code 36-4014-0-3-705	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....		1	5	4

Investments in US securities:				
1102 Treasury securities, par .....	40	38	39	40
1106 Receivables, net .....	1	1	2	2
1107 Advances and prepayments .....	2	2	1	1
1206 Non-Federal assets: Receivables, net .....		2	1	1
Other Federal assets:				
1802 Inventories and related properties .....	24	25	26	27
1803 Property, plant and equipment, net .....	28	28	28	30
1999 Total assets .....	95	97	102	105
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....				
2104 Resources payable to Treasury .....	1	2	2	2
Non-Federal liabilities:				
2201 Accounts payable .....	9	9	8	9
2207 Other .....	8	7	7	7
2999 Total liabilities .....	18	18	17	18
<b>NET POSITION:</b>				
3200 Invested capital .....	42	47	48	48
3600 Other .....	35	32	37	39
3999 Total net position .....	77	79	85	87
4999 Total liabilities and net position .....	95	97	102	105

Object Classification (in millions of dollars)

Identification code 36-4014-0-3-705	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	40	43	42
11.3 Other than full-time permanent .....	15	16	19
11.9 Total personnel compensation .....	55	59	61
12.1 Civilian personnel benefits .....	14	17	14
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	3	6	7
26.0 Supplies and materials .....	128	136	137
31.0 Equipment .....	7	7	7
99.9 Total obligations .....	208	226	227

Personnel Summary

Identification code 36-4014-0-3-705	1997 actual	1998 est.	1999 est.
2011 Total compensable workyears: Exempt Full-time equivalent employment .....	2,979	3,000	3,020

SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND

Program and Financing (in millions of dollars)

Identification code 36-4048-0-3-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Contracts .....	23	25	26
09.02 Education and training .....	1	2	2
09.03 Operating expenses .....	12	13	13
10.00 Total obligations .....	36	40	41
<b>Budgetary resources available for obligation:</b>			
Unobligated balance available, start of year:			
21.40 Uninvested .....	8	9	9
22.00 New budget authority (gross) .....	37	40	41
23.90 Total budgetary resources available for obligation .....	45	49	50
23.95 New obligations .....	-36	-40	-41
24.40 Unobligated balance available, end of year: Uninvested .....	9	9	9
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) .....	37	40	41
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year: Obligated balance:			
72.40 Uninvested .....	1	2	4
73.10 New obligations .....	36	40	41
73.20 Total outlays (gross) .....	-35	-38	-39
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	2	4	6

**Public enterprise funds—Continued**

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

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

Identification code 36-4048-0-3-703	1997 actual	1998 est.	1999 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	35	38	39
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-37	-40	-41
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-2	-2	-2

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

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

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

Identification code 36-4048-0-3-703	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	32	38	40	41
0102 Expense .....	-27	-36	-40	-41
0109 Net income or loss (-) .....	5	2		

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

Identification code 36-4048-0-3-703	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	10	11	14	16
Investments in US securities:				
1106 Receivables, net .....	1	1	1	1
1206 Non-Federal assets: Receivables, net .....	1	2	2	2
1803 Other Federal assets: Property, plant and equipment, net .....	1	1	1	1
1999 Total assets .....	13	15	18	20
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....	1	1	1	1
2999 Total liabilities .....	1	1	1	1
<b>NET POSITION:</b>				
3200 Invested capital .....	1	1	1	1
3300 Cumulative results of operations .....	11	13	16	18
3999 Total net position .....	12	14	17	19
4999 Total liabilities and net position .....	13	15	18	20

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

Identification code 36-4048-0-3-703	1997 actual	1998 est.	1999 est.
25.2 Other services .....	32	36	37
26.0 Supplies and materials .....	3	3	3
31.0 Equipment .....	1	1	1
99.9 Total obligations .....	36	40	41

**MEDICAL CENTER RESEARCH ORGANIZATIONS**

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

Identification code 36-4026-0-3-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Operating expenses .....	26	26	27
09.02 Capital investments .....	3	3	3
10.00 Total obligations .....	29	29	30
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	18	18	18
22.00 New budget authority (gross) .....	29	29	30
23.90 Total budgetary resources available for obligation	47	47	48
23.95 New obligations .....	-29	-29	-30
24.40 Unobligated balance available, end of year:			
Uninvested .....	18	18	18
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	29	29	30
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	29	29	30
73.20 Total outlays (gross) .....	-29	-29	-30
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	29	29	30
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1	-1	-1
88.40 Non-Federal sources .....	-28	-28	-29
88.90 Total, offsetting collections (cash) .....	-29	-29	-30
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

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

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

Identification code 36-4026-0-3-703	1997 actual	1998 est.	1999 est.
25.2 Other services .....	18	18	19
26.0 Supplies and materials .....	8	8	8
31.0 Equipment .....	3	3	3
99.9 Total obligations .....	29	29	30

**Trust Funds**

**GENERAL POST FUND, NATIONAL HOMES**

**(INCLUDING TRANSFER OF FUNDS)**

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

In addition, for administrative expenses to carry out the direct loan programs, \$54,000, which shall be transferred from the "General post fund", as authorized by Public Law 102-54, section 8. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)



Unavailable Collections (in millions of dollars)

Identification code 36-8180-0-7-705	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	2	2	2
Receipts:			
02.01 General post fund, national homes, deposits .....	27	28	29
02.02 General post fund, national homes, interest on investments .....	3	3	3
02.99 Total receipts .....	30	31	32
04.00 Total: Balances and collections .....	32	33	34
Appropriation:			
05.01 General post fund, national homes .....	-30	-31	-32
07.99 Total balance, end of year .....	2	2	2

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities .....	21	21	22
00.02 Research activities .....	3	4	4
00.03 Therapeutic residence maintenance .....	1	1	1
10.00 Total obligations .....	25	26	27
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested .....	-3	4	3
21.41 U.S. Securities: Par value .....	40	37	42
21.99 Total unobligated balance, start of year .....	37	41	45
22.00 New budget authority (gross) .....	30	31	32
23.90 Total budgetary resources available for obligation .....	67	72	77
23.95 New obligations .....	-25	-26	-27
Unobligated balance available, end of year:			
24.40 Uninvested .....	4	3	2
24.41 U.S. Securities: Par value .....	37	42	48
24.99 Total unobligated balance, end of year .....	41	45	50
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite) .....	30	31	32
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	5	4	4
73.10 New obligations .....	25	26	27
73.20 Total outlays (gross) .....	-27	-26	-26
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	4	4	4
Outlays (gross), detail:			
86.97 Outlays from new permanent authority .....	24	23	24
86.98 Outlays from permanent balances .....	3	3	2
87.00 Total outlays (gross) .....	27	26	26
Net budget authority and outlays:			
89.00 Budget authority .....	30	31	32
90.00 Outlays .....	27	26	26

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

Also under this heading are the activities of the Transitional housing loan program. This program provides loans

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

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	1997 actual	1998 est.	1999 est.
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	10	11	11
26.0 Supplies and materials .....	10	10	11
31.0 Equipment .....	3	3	3
32.0 Land and structures .....	1	1	1
99.9 Total obligations .....	25	26	27

VETERANS BENEFITS ADMINISTRATION

Federal Funds

General and special funds:

【COMPENSATION AND PENSIONS】

【For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198); \$19,932,997,000, to remain available until expended: *Provided*, That not to exceed \$26,380,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further*, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992 (38 U.S.C. chapter 55).】 (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Activities formerly included in this account are proposed to be financed by three separate appropriation accounts in 1999 and are presented below in the "Compensation", "Pensions", and "Burial benefits and miscellaneous assistance" accounts. Amounts for 1997, 1998, and 1999 are shown on a comparable basis. The following table shows the distribution of the amounts (dollars in millions) appropriated in 1997 and 1998 and requested in 1999.

Distribution of budget authority by account:	1997 actual	1998 est.	1999 est.
Compensation .....	16,418	16,724	18,663
Pensions .....	3,066	3,075	3,070
Burial benefits .....	115	133	123
Distribution of outlays by account:			
Compensation .....	16,218	16,912	18,649
Pensions .....	3,055	3,087	3,073
Burial benefits .....	116	133	123

COMPENSATION

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law, \$18,663,401,000, to remain available until expended, of which not to exceed \$1,472,000 shall be reimbursed to "General operating

**General and special funds—Continued**

*COMPENSATION—Continued*

expenses" for necessary expenses, as authorized by chapters 11, 13, 18, 51, 53, 55 and 61 of title 38, United States Code.

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

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

Identification code 36-0153-0-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Compensation:			
Veterans:			
00.02 World War I	2	2	1
00.03 World War II	3,356	3,290	3,389
00.04 Korean conflict	1,190	1,192	1,258
00.05 Vietnam era	5,148	5,481	6,333
00.06 Peacetime service	2,672	2,797	3,295
00.07 Persian Gulf conflict	636	798	994
00.91 Total veterans	13,004	13,560	15,270
Survivors:			
01.04 World War I	55	48	42
01.05 World War II	1,288	1,275	1,286
01.06 Korean conflict	393	391	396
01.07 Vietnam era	991	1,010	1,045
01.08 Peacetime service	454	449	469
01.09 Persian Gulf conflict	54	67	75
01.91 Total survivors	3,235	3,240	3,313
02.01 Clothing allowance	38	39	40
02.93 Total compensation	16,277	16,839	18,623
Children:			
03.02 Vietnam era		19	19
03.03 Ch. 18 vocational rehabilitation		3	3
03.91 Total children		22	22
Other expenses:			
07.01 Payment to general operating expense	2	1	1
07.02 Medical exam pilot program		8	17
07.91 Total other expenses	2	9	18
10.00 Total obligations (object class 42.0)	16,279	16,870	18,663
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested	8	146	
22.00 New budget authority (gross)	16,418	16,724	18,663
23.90 Total budgetary resources available for obligation	16,426	16,870	18,663
23.95 New obligations	-16,279	-16,870	-18,663
24.40 Unobligated balance available, end of year:			
Uninvested	146		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation	16,598	16,724	18,663
41.00 Transferred to other accounts	-180		
43.00 Appropriation (total)	16,418	16,724	18,663
70.00 Total new budget authority (gross)	16,418	16,724	18,663
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	1,232	1,293	1,251
73.10 New obligations	16,279	16,870	18,663
73.20 Total outlays (gross)	-16,218	-16,912	-18,649
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1,293	1,251	1,265
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority	14,986	15,619	17,398
86.93 Outlays from current balances	1,232	1,293	1,251
87.00 Total outlays (gross)	16,218	16,912	18,649
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	16,418	16,724	18,663
90.00 Outlays	16,218	16,912	18,649

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority	16,418	16,724	18,663
Outlays	16,218	16,912	18,649
Supplemental proposal:			
Budget Authority		550	
Outlays		550	
Legislative proposal, not subject to PAYGO:			
Budget Authority			287
Outlays			259
Legislative proposal, subject to PAYGO:			
Budget Authority			-736
Outlays			-736
<b>Total:</b>			
Budget Authority	16,418	17,274	18,214
Outlays	16,218	17,462	18,172

This appropriation would provide for the payment of compensation benefits to veterans and survivors. Compensation is paid to veterans for disabilities incurred in or aggravated during active military service. Total compensation costs are current law baseline amounts and include the effect of paying compensation benefits based solely on tobacco use during military service. Dependency and Indemnity Compensation is paid to survivors of servicepersons or veterans whose death occurred while on active duty or as a result of service-connected disabilities. Compensation and vocational rehabilitation is provided to the children of Vietnam veterans who were born with the birth defect spina bifida.

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

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

**AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS**

	1997 actual	1998 est.	1999 est.
<b>Veterans:</b>			
Mexican border period	10	9	7
World War I	296	208	150
World War II	632,890	610,400	600,856
Korean conflict	184,279	180,159	180,441
Vietnam era	718,912	729,680	758,465
Peacetime service	534,080	546,921	579,199
Persian Gulf conflict	185,378	216,384	242,744
<b>Total</b>	<b>2,255,845</b>	<b>2,283,761</b>	<b>2,361,862</b>
Average payment per case, per year	\$5,765	\$6,153	\$6,465
Total obligations (in millions)	\$13,004	\$14,052	\$15,269
<b>Children of Vietnam era veterans:</b>			
Children		2,000	2,000
Average payment per case, per year		\$10,500	\$9,500
Total obligations (in millions)		\$21	\$19
<b>Chapter 18 Vocational rehabilitations:</b>			
Rehabilitations		860	870
Average payment per case, per year		\$3,095	\$3,448
Total obligations (in millions)		\$3	\$3
<b>Survivors:</b>			
Prior to Spanish-American War	1	1	1
Spanish-American War	17	17	17
Mexican border period	2	2	1
World War I	5,260	4,570	3,971
World War II	121,924	120,144	118,470
Korean conflict	36,963	36,565	36,198
Vietnam era	92,887	94,752	96,582
Peacetime service	43,726	43,194	44,239
Persian Gulf conflict	4,404	5,439	5,960
<b>Total</b>	<b>305,184</b>	<b>304,684</b>	<b>305,439</b>
Average payment per case, per year	\$10,600	\$10,824	\$10,847
Total obligations (in millions)	\$3,235	\$3,298	\$3,313
<b>Clothing allowance:</b>			
Number of veterans	73,571	74,384	75,252
Average payment per case, per year	\$518	\$528	\$532
Total obligations (in millions)	\$38	\$39	\$40

COMPENSATION  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)			
Identification code 36-0153-2-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 World War II			52
00.02 Korean conflict			18
00.03 Vietnam era			96
00.04 Peacetime service			49
00.05 Persian Gulf			15
00.91 Total veterans			230
01.04 World War I			1
01.05 World War II			21
01.06 Korean conflict			7
01.07 Vietnam era			18
01.08 Peacetime service			8
01.09 Persian Gulf			1
01.91 Total survivors			56
02.01 Clothing allowance			1
10.00 Total obligations (object class 42.0)			287
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			287
23.95 New obligations			-287
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation			287
<b>Change in unpaid obligations:</b>			
73.10 New obligations			287
73.20 Total outlays (gross)			-259
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			28
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority			259
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			287
90.00 Outlays			259

Legislation will be proposed to provided a cost-of-living adjustment (COLA) to all compensation beneficiaries, including spouses and children. This increase, effective December 1, 1998, is expected to be 2.2 percent and cost \$287 million in fiscal year 1999.

COMPENSATION  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)			
Identification code 36-0153-4-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Restrict tobacco-related compensation			-741
00.02 Extend full benefits to certain Filipino veterans			5
02.93 Total compensation			-736
10.00 Total obligations			-736
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			-736
23.95 New obligations			736
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation			-736
<b>Change in unpaid obligations:</b>			
73.10 New obligations			-736
73.20 Total outlays (gross)			736
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority			-736

Net budget authority and outlays:		
89.00 Budget authority		-736
90.00 Outlays		-736

Legislation will be proposed to restrict service-connected disability compensation benefits for tobacco-related conditions, becoming manifest after service discharge and beyond any applicable presumptive period, based solely on tobacco use during military service.

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

PENSIONS

For the payment of pension benefits to or on behalf of veterans as authorized by law, \$3,070,612,000, to remain available until expended; of which not to exceed \$23,062,000 shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses as authorized by chapters 51, 53, 55, and 61 of title 38, United States Code; and of which such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners, as authorized by chapter 55 of such title.

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

Program and Financing (in millions of dollars)			
Identification code 36-0154-0-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
Pensions:			
Veterans:			
04.01 Improved law	2,207	2,249	2,277
04.02 Prior law	67	57	49
04.03 Old law	1		
04.91 Total veterans	2,275	2,306	2,326
Survivors:			
05.01 Improved law	653	639	626
05.02 Prior law	114	103	93
05.03 Old law	2	2	1
05.91 Total survivors	769	744	720
06.93 Total pensions	3,044	3,050	3,046
Other expenses:			
07.01 Medical facility expenses	2		
07.02 Reimbursement to GOE and VHA	20	25	24
07.91 Total other expenses	22	25	24
08.00 Total direct program	3,066	3,075	3,070
Reimbursable program:			
09.01 Minimum income for widows program		3	6
10.00 Total obligations	3,066	3,078	3,076
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	3,066	3,078	3,076
23.95 New obligations	-3,066	-3,078	-3,076
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation	2,885	3,075	3,070
42.00 Transferred from other accounts	181		
43.00 Appropriation (total)	3,066	3,075	3,070
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		3	6
70.00 Total new budget authority (gross)	3,066	3,078	3,076
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	254	265	254

**General and special funds—Continued**

*PENSIONS—Continued*

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

Identification code 36-0154-0-1-701	1997 actual	1998 est.	1999 est.
73.10 New obligations .....	3,066	3,078	3,076
73.20 Total outlays (gross) .....	-3,055	-3,087	-3,073
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	265	254	257
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	2,801	2,819	2,813
86.93 Outlays from current balances .....	254	265	254
86.97 Outlays from new permanent authority .....	.....	3	6
87.00 Total outlays (gross) .....	3,055	3,087	3,073
<b>Offsets:</b>			
88.00 Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources .....	.....	-3	-6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,066	3,075	3,070
90.00 Outlays .....	3,055	3,084	3,067

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

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

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 1999, is expected to be 2.2 percent.

**AVERAGE NUMBER OF PENSION CASES AND PAYMENTS**

	1997 actual	1998 est.	1999 est.
<b>Veterans:</b>			
Improved law .....	367,586	363,231	359,875
Prior law .....	41,433	35,126	29,809
Old law and service .....	526	445	379
Total .....	409,545	398,802	390,063
Average payment per case, per year (in dollars) .....	\$5,556	\$5,783	\$5,964
Total obligations (in millions) .....	\$2,275	\$2,306	\$2,326
<b>Survivors:</b>			
Improved law .....	202,153	195,475	189,460
Prior law .....	114,024	101,988	91,388
Old law and service .....	3,085	2,566	2,136
Total .....	319,262	300,029	282,984
Average payment per case, per year .....	\$2,408	\$2,479	\$2,546
Total obligations (in millions) .....	\$769	\$744	\$720
<b>Minimum Income for Widows Program:</b>			
Widows .....	.....	397	782
Average benefit per case, per year .....	.....	\$7,083	\$7,248
Total obligations (in millions) .....	.....	\$3	\$6
<b>Vocational training:</b>			
Trainees .....	86	85	.....
Average benefit per year .....	\$2,453	\$2,753	.....
Total obligations (in millions) <sup>1</sup> .....	.....	.....	.....

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

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

Identification code 36-0154-0-1-701	1997 actual	1998 est.	1999 est.
42.0 Direct obligations: Insurance claims and indemnities	3,066	3,075	3,070
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....	.....	3	6
99.9 Total obligations .....	3,066	3,078	3,076

*BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE*

*For the payment of burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law, \$123,045,000, to remain available until expended. (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61, 38 U.S.C.; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; Stat. 76 Stat. 1198.)*

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

Identification code 36-0155-0-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Burial benefits:</b>			
07.01 Burial allowances .....	37	35	34
07.02 Burial plots .....	12	11	11
07.03 Service-connected deaths .....	13	13	12
07.04 Burial flags .....	16	17	18
07.05 Headstones and markers .....	29	32	33
07.07 Outer burial receptacles .....	7	23	13
07.91 Total burial benefits .....	114	131	121
08.03 Special allowance dependents .....	1	1	1
08.04 Equal access to justice .....	1	1	1
08.91 Total miscellaneous assistance .....	2	2	2
10.00 Total obligations (object class 42.0) .....	116	133	123
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	116	133	123
23.95 New obligations .....	-116	-133	-123
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	117	133	123
41.00 Transferred to other accounts .....	-1	.....	.....
43.00 Appropriation (total) .....	116	133	123
70.00 Total new budget authority (gross) .....	116	133	123
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	116	133	123
73.20 Total outlays (gross) .....	-116	-133	-123
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	116	133	123
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	116	133	123
90.00 Outlays .....	116	133	123

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

NUMBER OF BURIAL BENEFITS

	1997 actual	1998 est.	1999 est.
Burial allowance .....	88,023	87,500	83,200
Burial plot .....	77,971	75,300	72,700
Service-connected death .....	9,724	9,800	9,200
Burial flags .....	457,809	457,200	465,000
Headstone markers .....	331,832	332,000	336,540
Headstone allowance .....	7		
Outer burial receptacles .....	47,263	95,184	71,009

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

MISCELLANEOUS ASSISTANCE CASELOAD

	1997 actual	1998 est.	1999 est.
Retired Officers .....	3	2	2
Special allowance dependents .....	138	138	138
Equal Access to Justice payments .....	357	357	357

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, **[\$1,366,000,000]** \$1,175,000,000, to remain available until expended: *Provided*, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98-77, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 36-0137-0-1-702	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
Education and training:			
00.01 Sons and daughters .....	94	95	97
00.02 Spouses .....	11	11	12
00.91 Total education and training .....	105	106	109
Special assistance to disabled veterans:			
01.01 Vocational rehabilitation .....	401	403	403
01.02 Housing grants .....	15	15	15
01.03 Automobiles, adaptive equipment, maintenance and repair .....	28	27	26
01.91 Total special assistance to disabled veterans .....	444	445	444
02.01 Work study .....	30	32	31
02.02 Payments to states .....	13	13	13
02.03 All-volunteer assistance: Veterans' basic benefits .....	690	724	736
02.91 All-volunteer assistance and other .....	733	769	780
02.93 Total direct program .....	1,282	1,320	1,333
09.01 Veterans' basic benefits .....	12	10	7
09.01 Veterans' supplementary benefits .....	79	74	73
09.01 Reservists benefits .....	83	91	101
10.00 Total obligations .....	1,456	1,495	1,514
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	27	112	157
22.00 New budget authority (gross) .....	1,551	1,541	1,356
22.10 Resources available from recoveries of prior year obligations .....	1	1	
22.30 Unobligated balance expiring .....	-12	-2	
23.90 Total budgetary resources available for obligation .....	1,567	1,652	1,513
23.95 New obligations .....	-1,456	-1,495	-1,514
24.40 Unobligated balance available, end of year:			
Uninvested .....	112	157	

New budget authority (gross), detail:

	1997 actual	1998 est.	1999 est.
Current:			
40.00 Appropriation .....	1,377	1,366	1,175
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	174	175	181
70.00 Total new budget authority (gross) .....	1,551	1,541	1,356

Change in unpaid obligations:

	1997 actual	1998 est.	1999 est.
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	60	53	27
73.10 New obligations .....	1,456	1,495	1,514
73.20 Total outlays (gross) .....	-1,462	-1,520	-1,511
73.45 Adjustments in unexpired accounts .....	-1	-1	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	53	27	30

Outlays (gross), detail:

	1997 actual	1998 est.	1999 est.
86.90 Outlays from new current authority .....	1,251	1,345	1,175
86.93 Outlays from current balances .....			155
86.97 Outlays from new permanent authority .....	174	175	181
86.98 Outlays from permanent balances .....	37		
87.00 Total outlays (gross) .....	1,462	1,520	1,511

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-174	-175	-181

Net budget authority and outlays:

89.00 Budget authority .....	1,377	1,366	1,175
90.00 Outlays .....	1,288	1,345	1,330

Summary of Budget Authority and Outlays

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority .....	1,377	1,366	1,175
Outlays .....	1,288	1,345	1,330
Legislative proposal, subject to PAYGO:			
Budget Authority .....			291
Outlays .....			291
Total:			
Budget Authority .....	1,377	1,366	1,466
Outlays .....	1,288	1,345	1,621

This appropriation finances educational assistance allowances for certain peacetime veterans and for eligible dependents of those veterans: (a) who died from service-connected causes or have a total and permanent rated service-connected disability; and (b) servicepersons who were captured or missing in action. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the associated approved adaptive equipment. The funding level in 1999 will consist of appropriated funds of \$1,175 million and available funds from 1998 of \$157 million.

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

NUMBER OF TRAINEES AND COST

	1997 actual	1998 est.	1999 est.
Sons and daughters:			
Number of trainees .....	36,216	36,769	37,295
Average cost per trainee (in dollars) .....	\$2,593	\$2,591	\$2,591
Total cost (in millions) .....	\$94	\$95	\$97
Spouses and widow(ers):			
Number of trainees .....	5,232	5,484	5,748
Average cost per trainee (in dollars) .....	\$,2066	\$2,070	\$2,070
Total cost (in millions) .....	\$11	\$11	\$12

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

## General and special funds—Continued

## READJUSTMENT BENEFITS—Continued

Specially adapted housing grants, up to a maximum of \$38,000, are provided to certain severely disabled veterans. Veterans who suffer service-connected blindness or who have lost the use of both upper extremities can receive up to \$6,500.

An allowance, up to a maximum of \$5,500, is provided to certain service-disabled veterans and servicepersons toward the purchase price of an automobile. Adaptive equipment and the maintenance and replacement of such equipment is also provided.

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

## CASELOAD AND AVERAGE COST DATA

	1997 actual	1998 est.	1999 est.
Total number of trainees .....	54,352	53,269	52,190
Average cost per trainee .....	\$7,386	\$7,561	\$7,720
Total cost (in millions) .....	\$401	\$403	\$403
Housing grants:			
Number of housing grants .....	458	458	458
Average cost per grant .....	\$32,147	\$32,147	\$32,147
Total cost (in millions) .....	\$15	\$15	\$15
Automobiles or other conveyances:			
Number of conveyances .....	855	855	855
Average cost per conveyance .....	\$5,450	\$5,450	\$5,450
Total cost (in millions) .....	\$5	\$5	\$5
Adaptive equipment (including maintenance, repair and installation for automobiles):			
Number of items .....	6,435	6,100	5,800
Average cost .....	3,551	3,623	3,707
Total cost (in millions) .....	\$23	\$22	\$22
Number of contracts .....	36,357	35,700	34,700
Total cost (in millions) .....	\$30	\$32	\$31

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

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

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

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

## CASELOAD AND AVERAGE COST DATA

	1997 actual	1998 est.	1999 est.
Veterans:			
Number of trainees .....	297,030	308,000	309,900
Average cost per trainee .....	\$2,629	\$2,623	\$2,636
Total cost (in millions) .....	\$781 <sup>1</sup>	\$808 <sup>2</sup>	\$817 <sup>3</sup>
Reservists:			
Number of trainees .....	78,000	76,800	76,400
Average cost per trainee .....	\$1,059	\$1,188	\$1,319
Total cost (in millions) .....	\$83	\$91	\$101

<sup>1</sup>Includes \$690 million of basic benefits (VA funded), \$12 million of basic benefits (DOD funded), and \$79 million of supplemental benefits (DOD funded).

<sup>2</sup>Includes \$724 million of basic benefits (VA funded), \$10 million of basic benefits, (DOD funded) and \$74 million of supplemental benefits (DOD funded).

<sup>3</sup>Includes \$737 million of basic benefits (VA funded), \$7 million of basic benefits (DOD funded) and \$73 million of supplemental benefits (DOD funded).

## Object Classification (in millions of dollars)

Identification code 36-0137-0-1-702	1997 actual	1998 est.	1999 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	1,282	1,320	1,333
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....	174	175	181
99.9 Total obligations .....	1,456	1,495	1,514

## READJUSTMENT BENEFITS

## (Legislative Proposal, subject to PAYGO)

## Program and Financing (in millions of dollars)

Identification code 36-0137-4-1-702	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
Education and training:			
00.01 Education rate increase .....			191
00.02 Payment to Department of Labor: Veterans training programs .....			100
02.93 Total direct program .....			291
10.00 Total obligations (object class 41.0) .....			291
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			291
23.95 New obligations .....			-291
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			291
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			291
73.20 Total outlays (gross) .....			-291
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			291
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			291
90.00 Outlays .....			291

Legislation will be proposed to provide a 20 percent rate increase for Montgomery GI Bill Education programs (Chapters 30 and 1606), as well as for Survivors' and Dependents' Education programs (Chapter 35). This legislation will also propose additional funds in the amount of \$100 million to be used for veterans training programs administered by the Department of Labor under Title IV-C of the Job Training Partnership Act.

REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS UNDER PUBLIC LAW 97-377

Program and Financing (in millions of dollars)			
Identification code 36-0200-0-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
09.00 Reimbursable program	17	18	17
09.00 Reimbursable program	1	1	1
10.00 Total obligations	18	19	18
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	18	19	18
23.95 New obligations	-18	-19	-18
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	18	19	18
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	12	16	16
73.10 New obligations	18	19	18
73.20 Total outlays (gross)	-14	-19	-18
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	16	16	16
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority	10	11	10
86.98 Outlays from permanent balances	4	8	8
87.00 Total outlays (gross)	14	19	18
<b>Offsets:</b>			
88.00 Against gross budget authority and outlays:			
Offsetting collections (cash) from: Federal sources	-18	-19	-18
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	-4		

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

CASELOAD AND AVERAGE COST DATA

	1997 actual	1998 est.	1999 est.
Spouses	390	350	310
Average benefit	\$10,925	\$11,167	\$11,628
Obligations (in millions)	\$4	\$4	\$4
Children	1,537	1,400	1,270
Average benefit	\$8,707	\$9,986	\$10,360
Obligations (in millions)	\$13	\$14	\$13

Object Classification (in millions of dollars)

Identification code 36-0200-0-1-701	1997 actual	1998 est.	1999 est.
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	18	19	18
99.9 Total obligations	18	19	18

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, [\$51,360,000] \$46,450,000, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
00.04 Payment to national service life insurance fund	2	2	2
00.05 Payment to service-disabled veterans insurance fund	30	44	38
00.06 Total operating expenses	8	9	9
10.00 Total obligations	40	55	49
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested		2	
22.00 New budget authority (gross)	41	53	48
23.90 Total budgetary resources available for obligation	41	55	48
23.95 New obligations	-40	-55	-49
24.40 Unobligated balance available, end of year:			
Uninvested	2		
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation	39	51	46
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
70.00 Total new budget authority (gross)	41	53	48
<b>Change in unpaid obligations:</b>			
73.10 New obligations	40	55	49
73.20 Total outlays (gross)	-41	-53	-48
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority	39	51	46
86.97 Outlays from new permanent authority	1	2	2
87.00 Total outlays (gross)	41	53	48
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: VMLI premiums	-2	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	39	51	46
90.00 Outlays	38	53	46

Summary of Budget Authority and Outlays

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority	39	51	46
Outlays	38	51	46
Legislative proposal, subject to PAYGO:			
Budget Authority			5
Outlays			5
Total:			
Budget Authority	39	51	51
Outlays	38	51	51

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

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

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

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

**General and special funds—Continued**

**VETERANS INSURANCE AND INDEMNITIES—Continued**

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

The general decline in the number of policies and the amount of insurance in force is expected to continue in 1999 as indicated in the following table.

**POLICIES AND INSURANCE IN FORCE**

	1997 actual	1998 est.	1999 est.
National service life insurance policies:			
Number of policies .....	1,370	1,230	1,098
Amount of insurance (dollars in millions) .....	\$7	\$6	\$5
VMLI policies:			
Number of policies .....	3,747	3,616	3,468
Amount of insurance (dollars in millions) .....	\$203	\$203	\$203

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

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

Identification code 36-0120-0-1-701	1997 actual	1998 est.	1999 est.
41.0 Grants, subsidies, and contributions .....	31	46	39
42.0 Insurance claims and indemnities .....	9	9	10
99.9 Total obligations .....	40	55	49

**VETERANS INSURANCE AND INDEMNITIES**

(Legislative proposal, subject to PAYGO)

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

Identification code 36-0120-4-1-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.04 Payment to national service life insurance fund .....			5
10.00 Total obligations (object class 41.0) .....			5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			5
23.95 New obligations .....			-5
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			5
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			5
73.20 Total outlays (gross) .....			-5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			5
90.00 Outlays .....			5

Legislation will be proposed to establish a reserve, from appropriated funds, to fully fund the "H" program and allow for the payments of future dividends. This legislation will require an initial transfer to the National Service Life Insurance fund of \$4.5 million in 1999. The \$4.5 million estimated cost will be offset to the extent that annual appropriations to the VI&I fund to cover the costs associated with the "H" program will no longer be necessary.

**Public enterprise funds:**

**SERVICE-DISABLED VETERANS INSURANCE FUND**

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

Identification code 36-4012-0-3-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Capital investment .....	13	14	13
09.01 Death claims .....	41	48	49
09.01 All other .....	12	13	13
10.00 Total obligations .....	66	75	75
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	6	6	8
22.00 New budget authority (gross) .....	66	78	72
23.90 Total budgetary resources available for obligation .....	72	84	80
23.95 New obligations .....	-66	-75	-75
24.40 Unobligated balance available, end of year:			
Uninvested .....	6	8	5
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	66	78	72
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	5	6	4
73.10 New obligations .....	66	75	75
73.20 Total outlays (gross) .....	-66	-77	-75
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	6	4	4
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	61	71	72
86.98 Outlays from permanent balances .....	5	6	3
87.00 Total outlays (gross) .....	66	77	75
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from VI and I .....	-30	-44	-39
Non-Federal sources:			
88.40 Interest on loans .....	-3	-3	-3
88.40 Insurance premiums earned .....	-23	-22	-21
88.40 Repayments of loans .....	-10	-9	-9
88.90 Total, offsetting collections (cash) .....	-66	-78	-72
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....		-1	3

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

*Operating costs—*

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

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

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

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

**POLICIES AND INSURANCE IN FORCE**

	1997 actual	1998 est.	1999 est.
Number of policies .....	159,941	156,471	152,771
Insurance in force (dollars in millions) .....	\$1,473	\$1,448	\$1,420

*Financing.*—Operations are financed from premiums and other receipts. Additional funds are received by transfer from



the veterans' insurance and indemnities appropriation, instead of direct appropriations to this fund.

*Operating results and financial condition.*—Since premium and other receipts are insufficient to cover operations, the fund continues to project liabilities in excess of assets. The deficit is expected to reach an estimated \$379 million by September 30, 1999.

Statement of Operations (in millions of dollars)

Identification code 36-4012-0-3-701	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	72	67	81	74
0102 Expense	-67	17	-83	-77
0109 Net income or loss (-)	5	84	-2	-3

Balance Sheet (in millions of dollars)

Identification code 36-4012-0-3-701	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	11	12	13	9
1206 Non-Federal assets: Receivables, net	1	1	3	3
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross	55	58	63	67
1999 Total assets	67	71	79	79
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable	4	5	5	5
2206 Pension and other actuarial liabilities	520	439	449	452
2207 Other	1	1	1	1
2999 Total liabilities	525	445	455	458
<b>NET POSITION:</b>				
3100 Appropriated capital	6	6	8	5
3200 Invested capital	-463	-379	-384	-383
3999 Total net position	-457	-373	-376	-378
4999 Total liabilities and net position	68	72	79	80

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	1997 actual	1998 est.	1999 est.
33.0 Investments and loans	13	14	13
42.0 Insurance claims and indemnities	53	61	62
99.9 Total obligations	66	75	75

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Death claims	33	39	42
09.01 Dividends	28	29	27
09.01 All other	9	9	8
09.01 Capital investment: policy loans	7	7	7
10.00 Total obligations	77	84	84
<b>Budgetary resources available for obligation:</b>			
Unobligated balance available, start of year:			
21.40 Uninvested	1	1	1
21.41 U.S. Securities: Par value	493	483	465
21.99 Total unobligated balance, start of year	493	484	466
22.00 New budget authority (gross)	68	67	63
23.90 Total budgetary resources available for obligation	561	551	529
23.95 New obligations	-77	-84	-84
Unobligated balance available, end of year:			
24.40 Uninvested	1	1	1
24.41 U.S. Securities: Par value	483	465	445
24.99 Total unobligated balance, end of year	484	466	446

<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	68	67	63
<b>Change in unpaid obligations:</b>			
72.41 Unpaid obligations, start of year: Obligated balance:			
U.S. Securities: Par value	33	38	40
73.10 New obligations	77	84	84
73.20 Total outlays (gross)	-71	-82	-81
74.41 Unpaid obligations, end of year: Obligated balance:			
U.S. Securities: Par value	38	40	43
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority	36	44	41
86.98 Outlays from permanent balances	35	38	40
87.00 Total outlays (gross)	71	82	81
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: interest on U.S. securities	-44	-43	-39
Non-Federal sources:			
88.40 Interest on loans	-2	-2	-2
88.40 Insurance premiums earned	-16	-16	-16
88.40 Repayments of loans	-6	-6	-6
88.90 Total, offsetting collections (cash)	-68	-67	-63
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	3	15	18

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

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

*Budget program*—

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

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

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

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

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

POLICIES AND INSURANCE IN FORCE

	1997 actual	1998 est.	1999 est.
Number of policies	92,582	87,392	81,962
Insurance in force (dollars in millions)	\$727	\$705	\$680

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

Statement of Operations (in millions of dollars)

Identification code 36-4010-0-3-701	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	68	63	61	58
0102 Expense	-62	-64	-62	-59

## Public enterprise funds—Continued

## VETERANS REOPENED INSURANCE FUND—Continued

## Statement of Operations (in millions of dollars)—Continued

Identification code 36-4010-0-3-701	1996 actual	1997 actual	1998 est.	1999 est.
0109 Net income or loss (-)	6	-1	-1	-1

## Balance Sheet (in millions of dollars)

Identification code 36-4010-0-3-701	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury		1	1	1
Investments in US securities:				
1102 Treasury securities, par	525	521	506	488
1106 Receivables, net	12	10	9	9
1206 Non-Federal assets: Receivables, net			1	1
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross	28	28	29	30
1999 Total assets	565	560	546	529
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable	41	46	49	51
2206 Pension and other actuarial liabilities	508	499	483	464
2207 Other	2	2	2	2
2999 Total liabilities	551	547	534	517
<b>NET POSITION:</b>				
3100 Appropriated capital	492	484	466	446
3200 Invested capital	-478	-470	-453	-433
3999 Total net position	14	14	13	12
4999 Total liabilities and net position	565	561	547	530

## Object Classification (in millions of dollars)

Identification code 36-4010-0-3-701	1997 actual	1998 est.	1999 est.
33.0 Investments and loans	7	7	7
42.0 Insurance claims and indemnities	38	44	47
43.0 Interest and dividends	32	33	30
99.9 Total obligations	77	84	84

## SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

## Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Premium payments	478	452	448
09.01 Payment to GOE account	1	1	1
10.00 Total obligations (object class 41.0)	479	453	449

## Budgetary resources available for obligation:

21.41 Unobligated balance available, start of year: U.S. Securities: Par value	7	1	1
22.00 New budget authority (gross)	473	453	449
23.90 Total budgetary resources available for obligation	480	454	450
23.95 New obligations	-479	-453	-449
24.41 Unobligated balance available, end of year: U.S. Securities: Par value	1	1	1

## New budget authority (gross), detail:

68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	473	453	449
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## Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance: offsetting collections	3	4	5
73.10 New obligations	479	453	449
73.20 Total outlays (gross)	-478	-453	-449
74.40 Unpaid obligations, end of year: Obligated balance: offsetting collections	4	5	5

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority	473	449	445
86.98 Outlays from permanent balances	5	4	4
87.00 Total outlays (gross)	478	453	449

## Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay	-473	-453	-449

## Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	5		

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

## Statement of Operations (in millions of dollars)

Identification code 36-4009-0-3-701	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	467	473	493	493
0102 Expense	-475	-479	-493	-493
0109 Net income or loss (-)	-8	-6		

## Credit accounts:

## VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

## (INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year [1998] 1999, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: *Provided further*, That during [1998] 1999 any moneys that would be otherwise deposited into or paid from the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund shall be deposited into or paid from the Veterans Housing Benefit Program Fund: *Provided further*, That any balances in the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund on the effective date of this Act may be transferred to and merged with the Veterans Housing Benefit Program Fund.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [\$160,437,000] \$159,121,000, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

## Unavailable Collections (in millions of dollars)

Identification code 36-1119-0-1-704	1997 actual	1998 est.	1999 est.
<b>Balance, start of year:</b>			
01.99 Balance, start of year	170	867	907
<b>Receipts:</b>			
02.01 Downward reestimate of subsidies, GIF direct loans	838		
02.02 Downward reestimate of subsidies, guaranteed loans		206	
02.03 Downward reestimate of subsidies, loan guaranty direct loans	109		
02.99 Total receipts	947	206	
04.00 Total: Balances and collections	1,117	1,073	907
<b>Appropriation:</b>			
05.01 Veterans Housing Benefit Program	-250	-166	-264
05.02 Legislative proposal subject to PAYGO			2
05.99 Subtotal appropriation	-250	-166	-262
07.99 Total balance, end of year	867	907	645

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy	25	44	156
00.02 Guaranteed loan subsidy	224	122	108
00.05 Reestimates of direct loan subsidy	73	376	
00.06 Interest on reestimates of the direct loan subsidy	12	89	
00.07 Reestimates of guaranteed loan subsidy	74	212	
00.08 Interest on reestimates of the guaranteed loan subsidy	9	32	
00.09 Administrative expenses	139	160	159
10.00 Total obligations	556	1,035	423
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	556	1,035	423
23.95 New obligations	-556	-1,035	-423
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation (definite)	139	160	159
40.25 Appropriation (special fund, indefinite)	250	166	264
43.00 Appropriation (total)	389	326	423
Permanent:			
60.05 Appropriation (indefinite)	167	709	
70.00 Total new budget authority (gross)	556	1,035	423
<b>Change in unpaid obligations:</b>			
73.10 New obligations	556	1,035	423
73.20 Total outlays (gross)	-556	-1,035	-423
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority	389	326	423
86.97 Outlays from new permanent authority	167	709	
87.00 Total outlays (gross)	556	1,035	423
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	556	1,035	423
90.00 Outlays	556	1,035	423

Summary of Budget Authority and Outlays

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
<b>Enacted/requested:</b>			
Budget Authority	556	1,035	423
Outlays	556	1,035	423
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority			-2
Outlays			-2
<b>Total:</b>			
Budget Authority	556	1,035	421
Outlays	556	1,035	421

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

Identification code 36-1119-0-1-704	1997 actual	1998 est.	1999 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Direct loan levels	1,280	1,891	2,020
1159 Total direct loan levels	1,280	1,891	2,020
<b>Direct loan subsidy (in percent):</b>			
1320 Subsidy rate	1.97	2.36	7.71
1329 Weighted average subsidy rate	1.97	2.36	7.71
<b>Direct loan subsidy budget authority:</b>			
1330 Subsidy budget authority	25	44	156
1339 Total subsidy budget authority	25	44	156
<b>Direct loan subsidy outlays:</b>			
1340 Subsidy outlays	110	561	156
1349 Total subsidy outlays	110	561	156
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 Loan guarantee levels	24,287	24,844	23,440

2159 Total loan guarantee levels	24,287	24,844	23,440
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Subsidy rate	0.36	0.49	0.46
2329 Weighted average subsidy rate	0.36	0.49	0.46
<b>Guaranteed loan subsidy budget authority:</b>			
2330 Subsidy budget authority	307	365	108
2339 Total subsidy budget authority	307	365	108
<b>Guaranteed loan subsidy outlays:</b>			
2340 Subsidy outlays	307	122	108
2349 Total subsidy outlays	307	122	108
<b>Administrative expense data:</b>			
3510 Budget authority	139	160	159
3590 Outlays from new authority	139	160	159

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

The Federal guaranty for this program protects lenders against the following types of losses: (a) for loans of \$45,000, or less, 50 percent of the loan is guaranteed; (b) for loans greater than \$45,000, but not more than \$56,250, \$22,500; (c) for loans more than \$56,250 but less than \$144,000, the lesser of \$36,000 or 40 percent of the loan; or (d) for loans greater than \$144,000, the lesser of \$50,750 or 25 percent of the loan.

The Administration is proposing legislation to eliminate disbursements of vendee loans. VA will sell all foreclosed properties on a cash basis.

Object Classification (in millions of dollars)

Identification code 36-1119-0-1-704	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts	139	161	159
41.0 Grants, subsidies, and contributions	417	874	264
99.9 Total obligations	556	1,035	423

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-1119-4-1-704	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy			-100
00.02 Guaranteed loan subsidy			98
10.00 Total obligations (object class 41.0)			-2
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			-2
23.95 New obligations			2
<b>New budget authority (gross), detail:</b>			
40.25 Appropriation (special fund, indefinite)			-2
<b>Change in unpaid obligations:</b>			
73.10 New obligations			-2
73.20 Total outlays (gross)			2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority			-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			-2

**Credit accounts—Continued**

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

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

Identification code 36-1119-4-1-704	1997 actual	1998 est.	1999 est.
90.00 Outlays			-2
<b>Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)</b>			
Identification code 36-1119-4-1-704	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels			-1,817
1159 Total direct loan levels			-1,817
Direct loan subsidy (in percent):			
1320 Subsidy rate			11.84
1329 Weighted average subsidy rate			11.84
Direct loan subsidy budget authority:			
1330 Subsidy budget authority			-100
1339 Total subsidy budget authority			-100
Direct loan subsidy outlays:			
1340 Subsidy outlays			-100
1349 Total subsidy outlays			-100
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate			0.42
2329 Weighted average subsidy rate			0.42
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority			98
2339 Total subsidy budget authority			98
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays			98
2349 Total subsidy outlays			98

The Administration is proposing legislation to eliminate disbursements of vendee loans. VA will sell all foreclosed properties on a cash basis.

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

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

Identification code 36-4127-0-3-704	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans	1,280	1,891	2,020
00.02 Interest on Treasury borrowing	256	98	102
00.03 Property sales expense	1	2	2
00.04 Property management/other expense	4	5	4
00.05 Property improvement expense	1	1	1
00.06 Reserve for losses on loan sales	14	69	75
00.07 Payment of downward reestimate to receipt account	120		
00.08 Payment of excess interest earned to receipt account	37		
10.00 Total obligations	1,713	2,066	2,204
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)	1,713	2,067	2,204
23.95 New obligations	-1,713	-2,066	-2,204
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite)	1,328	1,382	1,865
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1,358	2,136	2,060
68.47 Portion applied to debt reduction	-973	-1,451	-1,721
68.90 Spending authority from offsetting collections (total)	385	685	339
70.00 Total new financing authority (gross)	1,713	2,067	2,204

<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	1	-77	-93
73.10 New obligations	1,713	2,066	2,204
73.20 Total financing disbursements (gross)	-1,791	-2,083	-2,210
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	-77	-93	-100
87.00 Total financing disbursements (gross)	1,791	2,083	2,210

<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-110	-510	-156
Non-Federal sources:			
Non-Federal sources:			
88.40 Repayments of principal	-25	-36	-38
88.40 Interest received on loans	-62	-106	-122
88.40 Fees	-9	-38	-41
88.40 Interest from Treasury	-126		
88.40 Loan sale proceeds, net	-1,010	-1,359	-1,607
88.40 Cash sale of properties	-4	-35	-40
88.40 Other revenue	-12	-52	-56
88.90 Total, offsetting collections (cash)	-1,358	-2,136	-2,060
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	355	-69	144
90.00 Financing disbursements	433	-53	150

<b>Status of Direct Loans (in millions of dollars)</b>			
Identification code 36-4127-0-3-704	1997 actual	1998 est.	1999 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	1,280	1,891	2,020
1150 Total direct loan obligations	1,280	1,891	2,020
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	723	992	1,405
1231 Disbursements: Direct loan disbursements	1,280	1,891	2,020
<b>Repayments:</b>			
1251 Repayments and prepayments	-69	-32	-38
1253 Proceeds from loan asset sales to the public with recourse	-1,010	-1,359	-1,607
1262 Adjustments: Discount on loan asset sales to the public or discounted	64	-77	-90
<b>Write-offs for default:</b>			
1263 Direct loans	-8	-10	-15
1264 Other adjustments, net	12		
1290 Outstanding, end of year	992	1,405	1,675

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	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	954	2,463	3,489	4,160
1206 Non-Federal assets: Receivables, net	29	160		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, net	723	992	1,405	1,675
1403 Accounts receivable from foreclosed property		106		
1404 Foreclosed property	58	9		
Net present value of assets related to direct loans:				
1499 Net present value of assets related to direct loans	781	1,107	1,405	1,675

1499	Net present value of assets related to direct loans				
1504	Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Foreclosed property				
1603	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Allowance for estimated uncollectible loans and interest (-)	15			
1999	Total assets	1,779	3,730	4,894	5,835
<b>LIABILITIES:</b>					
<b>Federal liabilities:</b>					
2102	Interest payable	5	5		
2104	Resources payable to Treasury	1,768	1,768	4,891	5,832
<b>Non-Federal liabilities:</b>					
2201	Accounts payable	7	7	3	3
2204	Liabilities for loan guarantees	-1	-1		
2999	Total liabilities	1,779	1,779	4,894	5,835
4999	Total liabilities and net position	1,779	1,779	4,894	5,835

Identification code 36-4127-4-3-704	1997 actual	1998 est.	1999 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111	Limitation on direct loans		
1150	Total direct loan obligations		
<b>Cumulative balance of direct loans outstanding:</b>			
1210	Outstanding, start of year		
1231	Disbursements: Direct loan disbursements		-1,911
1290	Outstanding, end of year		-1,911

Identification code 36-4127-4-3-704	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross			-1,911
1499	Net present value of assets related to direct loans			-1,911
1999	Total assets			-1,911

VETERANS HOUSING BENEFIT PROGRAM FUND DIRECT LOAN FINANCING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-4127-4-3-704	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01	Direct loans		-1,817
00.02	Interest on Treasury borrowing		-11
10.00	Total obligations		-1,828
<b>Budgetary resources available for obligation:</b>			
22.00	New financing authority (gross)		-1,828
23.95	New obligations		1,828
<b>New financing authority (gross), detail:</b>			
67.15	Authority to borrow (indefinite)		-1,716
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)		-1,448
68.47	Portion applied to debt reduction		1,336
68.90	Spending authority from offsetting collections (total)		-112
70.00	Total new financing authority (gross)		-1,828
<b>Change in unpaid obligations:</b>			
73.10	New obligations		-1,828
73.20	Total financing disbursements (gross)		1,911
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested		83
87.00	Total financing disbursements (gross)		-1,911
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources: Payments from program account		100
Non-Federal sources:			
Non-Federal sources:			
88.40	Repayments of principal		7
88.40	Interest received on loans		18
88.40	Fees		41
88.40	Loan sale proceeds, net		1,226
88.40	Other revenue		56
88.90	Total, offsetting collections (cash)		1,448
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority		-380
90.00	Financing disbursements		-463

This schedule shows the off-budget financing effects of the Administration's proposal to eliminate disbursements of vendee loans. VA will sell all foreclosed properties on a cash basis.

VETERANS HOUSING BENEFIT PROGRAM FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4129-0-3-704	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
00.01	Acquisition of homes	1,078	1,727	1,955
00.02	Losses on defaulted loans	292	394	435
00.03	Property sales expense	46	99	121
00.04	Property management expense	29	35	42
00.05	Property improvement expense	29	34	38
00.06	Loans acquired	124	134	145
00.07	Payment of downward reestimate to program account	684	172	
00.08	Payment of excess interest to program account	105	34	
10.00	Total obligations	2,387	2,629	2,736
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year: Uninvested	3,744	3,316	3,244
22.00	New financing authority (gross)	1,959	2,557	2,601
23.90	Total budgetary resources available for obligation	5,703	5,873	5,845
23.95	New obligations	-2,387	-2,629	-2,736
24.40	Unobligated balance available, end of year: Uninvested	3,316	3,244	3,110
<b>New financing authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	1,959	2,557	2,601
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance: Uninvested	40	-165	-182
73.10	New obligations	2,387	2,629	2,736
73.20	Total financing disbursements (gross)	-2,592	-2,645	-2,743
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested	-165	-182	-189
87.00	Total financing disbursements (gross)	2,592	2,645	2,743
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from program account	-308	-365	-108
88.25	Interest on uninvested funds	-243	-157	-152

**Credit accounts—Continued**

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

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

Identification code 36-4129-0-3-704	1997 actual	1998 est.	1999 est.	
Non-Federal sources:				
Non-Federal sources:				
88.40	Funding fees .....	-455	-472	-446
88.40	Cash sale of properties .....	-177	-262	-317
88.40	Other collections .....	-13	-14	-16
88.40	Recoveries from loans .....	-763	-1,287	-1,562
88.90	Total, offsetting collections (cash) .....	-1,959	-2,557	-2,601
Net financing authority and financing disbursements:				
89.00	Financing authority .....			
90.00	Financing disbursements .....	633	88	142

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

Identification code 36-4129-0-3-704	1997 actual	1998 est.	1999 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....			
2131	Guaranteed loan commitments exempt from limitation .....	24,287	24,844	23,440
2150	Total guaranteed loan commitments .....	24,287	24,844	23,440
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	130,031	146,574	161,502
2231	Disbursements of new guaranteed loans .....	24,287	24,844	23,440
2232	Guarantees of loans sold to the public with recourse .....	979	820	1,074
2251	Repayments and prepayments .....	-7,352	-8,287	-9,131
Adjustments:				
2261	Terminations for default that result in loans receivable .....	-124	-395	-435
2262	Terminations for default that result in acquisition of property .....	-1,079	-1,727	-1,955
2263	Terminations for default that result in claim payments .....	-292	-327	-366
2264	Other adjustments, net .....	124		
2290	Outstanding, end of year .....	146,574	161,502	174,129
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	65,081	62,353	67,417

**Addendum:**

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	61	103	127
2331	Disbursements for guaranteed loan claims .....	339	395	435
2351	Repayments of loans receivable .....	-6	-11	-13
2361	Write-offs of loans receivable .....	-291	-360	-406
2390	Outstanding, end of year .....	103	127	143

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

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

Identification code 36-4129-0-3-704	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	3,785	3,151	3,063	2,921
1206	Non-Federal assets: Receivables, net .....	61	244	237	226
Other Federal assets:					
1801	Cash and other monetary assets .....		102	133	136
1803	Property, plant and equipment, net .....	415	718	809	891
1999	Total assets .....	4,261	4,215	4,242	4,174

**LIABILITIES:**

2204	Non-Federal liabilities: Liabilities for loan guarantees .....	4,261	4,215	4,242	4,174
2999	Total liabilities .....	4,261	4,215	4,242	4,174
4999	Total liabilities and net position .....	4,261	4,215	4,242	4,174

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

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

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

Identification code 36-4129-4-3-704	1997 actual	1998 est.	1999 est.	
<b>Budgetary resources available for obligation:</b>				
22.00	New financing authority (gross) .....			101
24.40	Unobligated balance available, end of year: Uninvested .....			101
<b>New financing authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash) .....			101
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from Program Account .....			-98
88.25	Interest on uninvested funds .....			-3
88.90	Total, offsetting collections (cash) .....			-101
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....			-101

This schedule shows the off-budget financing effects of the Administration's proposal to eliminate disbursements of vendee loans. VA will sell all foreclosed properties on a cash basis.

**VETERANS HOUSING BENEFIT PROGRAM FUND LIQUIDATING ACCOUNT**

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

Identification code 36-4025-0-3-704	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
Capital investments:				
00.01	Acquisition of homes .....	415	404	339
00.02	Property improvements .....	21	19	16
00.03	Cash advances .....	23	18	13
00.04	Acquisition of defaulted guaranteed loans .....	62	60	59
00.91	Total capital investments .....	521	501	427
01.00	Total capital investments .....	521	501	427
Operating expenses:				
01.02	Property management expense .....	29	28	21
01.03	Sales expense .....	36	43	31
01.04	Claims processed .....	192	131	110
01.05	Other expenses .....	18	17	15
01.91	Total operating expenses .....	275	219	177
10.00	Total obligations (object class 33.0) .....	796	720	604
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year: Uninvested .....	192	57	
22.00	New budget authority (gross) .....	873	840	638
22.40	Capital transfer to general fund .....	-212	-177	-34
23.90	Total budgetary resources available for obligation .....	853	720	604
23.95	New obligations .....	-796	-720	-604
24.40	Unobligated balance available, end of year: Uninvested .....	57		
<b>New budget authority (gross), detail:</b>				
Current:				
40.00	Appropriation .....	100		

68.00	Permanent: Spending authority from offsetting collections: Offsetting collections (cash) .....	773	840	638
70.00	Total new budget authority (gross) .....	873	840	638
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance: Uninvested .....	67	42	38
73.10	New obligations .....	796	720	604
73.20	Total outlays (gross) .....	-822	-724	-610
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....	42	38	32
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	773	720	604
86.98	Outlays from permanent balances .....	49	4	6
87.00	Total outlays (gross) .....	822	724	610
<b>Offsets:</b>				
Against gross budget authority and outlays: Offsetting collections (cash) from:				
88.00	Federal sources: Payments from direct loan financing account .....	-499	-604	-458
Non-Federal sources:				
88.40	Loan and other repayments .....	-50	-40	-32
88.40	Loan sale proceeds, net .....	-1		
88.40	Sale of homes, cash .....	-119	-117	-86
88.40	Interest on loans .....	-67	-53	-43
88.40	Collection of claims (veteran indebtedness) .....	-51	-38	-29
88.40	Other revenue .....	14	12	10
88.90	Total, offsetting collections (cash) .....	-773	-840	-638
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	100		
90.00	Outlays .....	49	-116	-28

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

Identification code 36-4025-0-3-704	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	449	420	432
1231	Disbursements: Direct loan disbursements .....	56	52	54
Repayments:				
1251	Repayments and prepayments .....	-40	-37	-38
1253	Proceeds from loan asset sales to the public with recourse .....	-1	-1	-1
1261	Adjustments: Capitalized interest .....	19		
Write-offs for default:				
1263	Direct loans .....	-1	-1	-1
1264	Other adjustments, net .....	-62	-1	-1
1290	Outstanding, end of year .....	420	432	445

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

Identification code 36-4025-0-3-704	1997 actual	1998 est.	1999 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	24,731	23,896	23,058
2251	Repayments and prepayments .....	-313	-303	-292
Adjustments:				
2262	Terminations for default that result in acquisition of property .....	-415	-404	-339
2263	Terminations for default that result in claim payments .....	-192	-131	-110
2264	Other adjustments, net .....	85		
2290	Outstanding, end of year .....	23,896	23,058	22,317
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	12,505	12,066	11,678
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	1,350	665	633
2331	Disbursements for guaranteed loan claims .....	228	194	165
2351	Repayments of loans receivable .....	-84	-38	-29
2361	Write-offs of loans receivable .....	-829	-188	-159

2390	Outstanding, end of year .....	665	633	610
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**Statement of Operations (in millions of dollars)**

Identification code 36-4025-0-3-704	1996 actual	1997 actual	1998 est.	1999 est.	
0101	Revenue .....	869	571	457	366
0102	Expense .....	-441	-514	-411	-329
0109	Net income or loss (-) .....	428	57	46	37

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

Identification code 36-4025-0-3-704	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	238	99	177	34
1207	Non-Federal assets: Advances and prepayments .....	1	12		
Net value of assets related to post-1991 direct loans receivable:					
1402	Interest receivable .....	7	4	53	42
1403	Credit program receivables and related foreclosed property, net .....	463	377	132	110
1499	Net present value of assets related to direct loans .....	470	381	185	152
1706	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Foreclosed property .....				
Other Federal assets:					
1803	Property, plant and equipment, net .....	643	539	348	290
1901	Other assets .....				
1999	Total assets .....	1,352	1,031	710	476
<b>LIABILITIES:</b>					
2101	Federal liabilities: Accounts payable .....	293	73	50	34
2207	Non-Federal liabilities: Other .....	76	115	98	83
2999	Total liabilities .....	369	188	148	117
<b>NET POSITION:</b>					
3200	Invested capital .....	1,106	917	779	662
3300	Cumulative results of operations .....	169	-74	-217	-303
3500	Future funding requirements .....	-292			
3999	Total net position .....	983	843	562	359
4999	Total liabilities and net position .....	1,352	1,031	710	476

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

**MISCELLANEOUS VETERANS PROGRAMS LOAN FUND PROGRAM ACCOUNT**

**NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)**

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, \$515,000, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

**VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)**

For the cost of direct loans, [\$44,000] \$55,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed [\$2,278,000] \$2,401,000.

In addition, for administrative expenses necessary to carry out the direct loan program, [\$388,000] \$400,000, which may be transferred to and merged with the appropriation for "General operating

**Credit accounts—Continued**

**VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

expenses". (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

**EDUCATION LOAN FUND PROGRAM ACCOUNT**

(INCLUDING TRANSFER OF FUNDS)

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

In addition, for administrative expenses necessary to carry out the direct loan program, [\$200,000] \$206,000, which may be transferred to and merged with the appropriation for "General operating expenses". (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

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

Identification code 36-0140-0-3-702	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....			1
00.09 Administrative expenses .....	1	1	1
10.00 Total obligations .....	1	1	2
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	4	3	3
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation	5	4	4
23.95 New obligations .....	-1	-1	-2
24.40 Unobligated balance available, end of year:			
Uninvested .....	3	3	2
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	1	1	1
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	1	1	2
73.20 Total outlays (gross) .....	-1	-1	-2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	1	1
86.93 Outlays from current balances .....			1
87.00 Total outlays (gross) .....	1	1	2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	2

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

Identification code 36-0140-0-3-702	1997 actual	1998 est.	1999 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Direct loan levels, vocational rehabilitation .....	2	2	2
1150 Direct loan levels, education .....			
1150 Direct loan levels, Native American housing .....	2	5	9
1159 Total direct loan levels .....	4	7	11
<b>Direct loan subsidy (in percent):</b>			
1320 Voc. Rehab. Loan subsidy rate .....	1.74	1.94	2.27
1320 Education Loan subsidy rate .....	0.00	34.11	32.75
1320 Native American subsidy rate .....	7.72	7.72	7.72
1329 Weighted average subsidy rate .....	4.52	5.97	6.73
<b>Direct loan subsidy budget authority:</b>			
1330 Subsidy budget authority, vocational rehabilitation .....			1
1339 Total subsidy budget authority .....			1
<b>Direct loan subsidy outlays:</b>			
1340 Subsidy outlays, vocational rehabilitation .....			
1340 Subsidy outlays, education .....			

1340 Subsidy outlays, Native American .....			1
1349 Total subsidy outlays .....			1
<b>Administrative expense data:</b>			
3510 Budget authority .....	1	1	1
3590 Outlays .....	1	1	1

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

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

The Vocational Rehabilitation Loan Fund provides loans of up to \$815 (based on indexed Chapter 31 Subsistence allowance rate) to veterans enrolled in a program of vocational rehabilitation who are temporarily in need of additional funds to meet their expenses.

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

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

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

Identification code 36-0140-0-3-702	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts .....	1	1	1
41.0 Grants, subsidies, and contributions .....			1
99.9 Total obligations .....	1	1	2

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

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

Identification code 36-4259-0-3-702	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	5	7	11
00.02 Interest on Treasury borrowing .....	2	1	1
10.00 Total obligations .....	7	8	12
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	2		
22.00 New financing authority (gross) .....	7	9	12
22.60 Redemption of debt .....	-3		
23.90 Total budgetary resources available for obligation	6	9	12
23.95 New obligations .....	-7	-8	-12
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	5	7	10
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	5	5	5
68.47 Portion applied to debt reduction .....	-3	-3	-3



68.90	Spending authority from offsetting collections (total) .....	2	2	2
70.00	Total new financing authority (gross) .....	7	9	12
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	1	1	1
73.10	New obligations .....	7	8	12
73.20	Total financing disbursements (gross) .....	-7	-8	-13
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	1	1	
87.00	Total financing disbursements (gross) .....	7	8	13
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....			-1
88.25	Interest on uninvested funds .....	-1		
Non-Federal sources:				
88.40	Non-Federal sources .....	-3	-3	-2
88.40	Interest on loans .....	-1	-2	-2
88.40	Interest on uninvested funds .....			
88.90	Total, offsetting collections (cash) .....	-5	-5	-5
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	2	4	7
90.00	Financing disbursements .....	3	3	8

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

Identification code 36-4259-0-3-702	1997 actual	1998 est.	1999 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....			
1131	Direct loan obligations exempt from limitation .....	5	7	11
1150	Total direct loan obligations .....	5	7	11
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	13	15	19
1231	Disbursements: Direct loan disbursements .....	5	7	11
1251	Repayments: Repayments and prepayments .....	-3	-3	-2
1264	Write-offs for default: Other adjustments, net .....			
1290	Outstanding, end of year .....	15	19	28

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

Identification code 36-4259-0-3-702	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	3			
Investments in US securities:					
1106	Receivables, net .....	10			
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	13	15	19	28
1499	Net present value of assets related to direct loans .....	13	15	19	28
1999	Total assets .....	16	25	19	28
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....				
2103	Debt .....	3	24		
2104	Resources payable to Treasury .....			4	11
2203	Non-Federal liabilities: Debt .....	13			
2999	Total liabilities .....	16	24	4	11
<b>NET POSITION:</b>					
3100	Appropriated capital .....			15	17
3999	Total net position .....			15	17
4999	Total liabilities and net position .....	16	24	19	28

This account contains all information on the Native American Veterans Home Loan Fund, Vocational Rehabilitation Loan Program Education Loan Fund, and Transitional Housing Financing Account.

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

**MISCELLANEOUS VETERANS PROGRAMS LOAN FUND LIQUIDATING ACCOUNT**

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

Identification code 36-4260-0-3-702	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	3	1	1
1263	Write-offs for default: Direct loans .....	-2		-1
1290	Outstanding, end of year .....	1	1	

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

Identification code 36-4260-0-3-702	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
Federal assets: Fund balances with Treasury .....					
	1	1			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	3	1	2	2
1603	Allowance for estimated uncollectible loans and interest (-) .....	-2			
1604	Direct loans and interest receivable, net .....	1	1	2	2
1699	Value of assets related to direct loans .....	1	1	2	2
1999	Total assets .....	2	2	2	2
<b>NET POSITION:</b>					
3100	Appropriated capital .....	1			
3300	Cumulative results of operations .....	1	1	2	2
3999	Total net position .....	2	1	2	2
4999	Total liabilities and net position .....	2	1	2	2

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

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

**WORKLOAD, AMOUNT LOANED AND REPAID**

	1997 actual	1998 est.	1999 est.
Number of loans outstanding .....	991	870	680
Average amount per loan outstanding .....	\$772	\$675	\$679

**Trust Funds**

**POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT**

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

Identification code 36-8133-0-7-702	1997 actual	1998 est.	1999 est.	
Balance, start of year:				
01.99	Balance, start of year .....	64	64	64
Receipts:				
02.01	Deductions from military pay .....	3	3	2
02.02	Contributions .....	14	9	6
02.99	Total receipts .....	17	12	8
04.00	Total: Balances and collections .....	81	76	72
Appropriation:				
05.01	Post-Vietnam era veterans education account .....	-17	-12	-9

**POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT—Continued**

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

Identification code 36-8133-0-7-702	1997 actual	1998 est.	1999 est.
05.99 Subtotal appropriation	-17	-12	-9
07.99 Total balance, end of year	64	64	63

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

Identification code 36-8133-0-7-702	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Payment to post-Vietnam era trainees	16	12	9
00.02 Payment to section 901 trainees	1		
00.03 Participant disenrollments	70	33	46
10.00 Total obligations	87	45	55

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested	189	119	86
22.00 New budget authority (gross)	17	12	9
23.90 Total budgetary resources available for obligation	206	131	95
23.95 New obligations	-87	-45	-55
24.40 Unobligated balance available, end of year:			
Uninvested	119	86	40

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

60.27 Appropriation (trust fund, indefinite)	20	15	11
60.45 Portion precluded from obligation	-3	-3	-2
63.00 Appropriation (total)	17	12	9
70.00 Total new budget authority (gross)	17	12	9

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	4	5	4
73.10 New obligations	87	45	55
73.20 Total outlays (gross)	-86	-46	-55
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	5	4	4

**Outlays (gross), detail:**

86.97 Outlays from new permanent authority	17	12	9
86.98 Outlays from permanent balances	69	34	46
87.00 Total outlays (gross)	86	46	55

**Net budget authority and outlays:**

89.00 Budget authority	17	12	9
90.00 Outlays	86	46	55

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

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

(In millions of dollars)

	1997 actual	1998 est.	1999 est.
Total budget authority	\$17	\$12	\$9
Servicepersons	\$3	\$3	\$2
Transferred from Department of Defense (bonus)	\$8	\$4	\$3
Transferred from Department of Defense (matching)	\$5	\$5	\$4
Transferred from Department of Defense (Section 901)	\$1	0	0
Transferred from Department of Defense (Section 903)	\$4	0	0
Total participants (end of year)	284,676	259,660	222,969
Total contributors (end of year)	2,995	2,484	1,709
Average contribution per contributor (actual dollars)	\$1,138	\$1,140	\$1,140
Number of disenrollments	60,751	27,500	38,400
Total refunds	\$70	\$33	\$46

Total trainees	9,653	6,700	4,700
Total trainee cost	\$16	\$12	\$9
Average cost per trainee (actual dollars)	\$1,639	\$1,745	\$1,746
Section 901 trainees	215	180	151
Section 901 trainee cost	\$1		

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

Identification code 36-8133-0-7-702	1997 actual	1998 est.	1999 est.
41.0 Grants, subsidies, and contributions	17	12	9
44.0 Refunds	70	33	46
99.9 Total obligations	87	45	55

**NATIONAL SERVICE LIFE INSURANCE FUND**

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

Identification code 36-8132-0-7-701	1997 actual	1998 est.	1999 est.
<b>Balance, start of year:</b>			
01.99 Balance, start of year			
<b>Receipts:</b>			
02.01 Premium and other receipts	231	224	210
02.02 Interest	1,015	977	922
02.03 Payments from general and special funds	2	2	2
02.04 Payments from general and special funds, legislative proposal subject to PAYGO			5
02.99 Total receipts	1,248	1,203	1,139
<b>Appropriation:</b>			
05.01 National Service Life Insurance fund	-1,248	-1,203	-1,134
07.99 Total balance, end of year			5

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

Identification code 36-8132-0-7-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Direct:</b>			
<b>Operating expenses:</b>			
00.01 Death claims	560	608	631
00.02 Disability claims	18	19	19
00.03 Matured endowments	7	13	15
00.04 Cash surrenders	30	30	31
00.05 Dividends	523	512	478
00.06 Interest paid on dividend credits and deposits	56	62	57
00.07 Payment to general operating expenses	21	22	25
00.91 Total operating expenses	1,215	1,266	1,256
02.01 Capital investment: Policy loans	127	127	126
02.93 Total direct obligations	1,342	1,393	1,382
09.01 Death claims	253	254	254
09.01 Disability claims	9	8	8
09.01 Matured endowments	9	6	6
09.01 Cash surrenders	7	8	8
09.01 Dividends	218	202	202
09.01 Interest paid on dividend credits and deposits	24	24	24
09.01 Payment to general operating expenses	8	9	9
09.09 Reimbursable program—subtotal line	528	511	511
10.00 Total obligations	1,870	1,904	1,893

**Budgetary resources available for obligation:**

21.41 Unobligated balance available, start of year: U.S. Securities: Par value	10,824	10,783	10,650
22.00 New budget authority (gross)	1,829	1,771	1,678
23.90 Total budgetary resources available for obligation	12,653	12,554	12,328
23.95 New obligations	-1,870	-1,904	-1,893
24.41 Unobligated balance available, end of year: U.S. Securities: Par value	10,783	10,650	10,436

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

60.27 Appropriation (trust fund, indefinite)	1,248	1,203	1,134
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	581	568	544
70.00 Total new budget authority (gross)	1,829	1,771	1,678

<b>Change in unpaid obligations:</b>				
Unpaid obligations, start of year:				
Obligated balance:				
72.40	Uninvested .....	4	10	5
72.41	U.S. Securities: Par value .....	1,184	1,240	1,285
72.99	Total unpaid obligations, start of year .....	1,188	1,250	1,290
73.10	New obligations .....	1,870	1,904	1,893
73.20	Total outlays (gross) .....	-1,808	-1,864	-1,854
Unpaid obligations, end of year:				
Obligated balance:				
74.40	Uninvested .....	10	5	5
74.41	U.S. Securities: Par value .....	1,240	1,285	1,323
74.99	Total unpaid obligations, end of year .....	1,250	1,290	1,328
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	581	568	544
86.98	Outlays from permanent balances .....	1,227	1,296	1,310
87.00	Total outlays (gross) .....	1,808	1,864	1,854
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Repayments of loans .....	-130	-130	-130
88.40	Optional settlements .....	-5	-5	-4
88.40	Net income offsets adjustments .....	-446	-433	-410
88.90	Total, offsetting collections (cash) .....	-581	-568	-544
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	1,248	1,203	1,134
90.00	Outlays .....	1,227	1,296	1,310

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

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

**POLICIES AND INSURANCE IN FORCE**

	1995 actual	1996 est.	1997 est.
Number of policies .....	2,013,221	1,901,641	1,785,131
Insurance in force (dollars in millions) .....	\$18,826	\$18,212	\$17,557

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

Assets of the fund, which are largely invested in special interest-bearing Treasury securities and in policy loans, are expected to decrease from \$12,946 million as of September 30, 1998 to \$12,754 million as of September 30, 1999. The actuarial estimate of policy obligations as of September 30, 1999, total \$12,669 million, leaving a balance of \$84 million for contingency reserves.

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

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

Identification code 36-8132-0-7-701	1997 actual	1998 est.	1999 est.	
Unexpended balance, start of year:				
0100	Uninvested balance [unavailable collections] .....	5	10	5
0101	U.S. Securities: Par value .....	12,007	12,023	11,935
0199	Total balance, start of year .....	12,012	12,033	11,940
Cash income during the year:				
Proprietary receipts:				
0220	NSLI fund, premium and other receipts .....	231	224	210
Intragovernmental transactions:				
0240	NSLI fund, interest .....	1,015	977	922
0241	NSLI fund, payments from general and special funds .....	2	2	2

0242	Intragovernmental transactions .....			5
Offsetting collections:				
0289	Offsetting collections .....	581	568	544
0297	Income under present law .....	1,829	1,771	1,678
0298	Income under proposed legislation .....			5
0299	Total cash income .....	1,829	1,771	1,683
Cash outgo during year:				
0500	National service life insurance fund .....	-1,808	-1,864	-1,854
Unexpended balance, end of year:				
0700	Uninvested balance .....	10	5	5
0701	U.S. Securities: Par value .....	12,023	11,935	11,764
0799	Total balance, end of year .....	12,033	11,940	11,769

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

Identification code 36-8132-0-7-701	1997 actual	1998 est.	1999 est.	
Direct obligations:				
33.0	Investments and loans .....	88	89	88
42.0	Insurance claims and indemnities .....	654	706	731
43.0	Interest and dividends .....	600	598	563
99.0	Subtotal, direct obligations .....	1,342	1,393	1,382
99.0	Reimbursable obligations .....	528	511	511
99.9	Total obligations .....	1,870	1,904	1,893

**UNITED STATES GOVERNMENT LIFE INSURANCE FUND**

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

Identification code 36-8150-0-7-701	1997 actual	1998 est.	1999 est.	
Balance, start of year:				
01.99	Balance, start of year .....			
Receipts:				
02.01	Interest and profits on investments in public debt securities .....	6	6	6
Appropriation:				
05.01	United States government life insurance fund .....	-6	-6	-6
07.99	Total balance, end of year .....			

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

Identification code 36-8150-0-7-701	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
Operating expenses:				
00.01	Death claims .....	7	7	7
00.02	Cash surrenders .....	1	1	1
00.05	Dividends .....	5	4	4
00.06	Interest paid on dividend credits and deposits .....	1	1	1
00.91	Total operating expenses .....	14	13	13
10.00	Total obligations .....	14	13	13
<b>Budgetary resources available for obligation:</b>				
21.41	Unobligated balance available, start of year: U.S. Securities: Par value .....	79	72	66
22.00	New budget authority (gross) .....	8	7	7
23.90	Total budgetary resources available for obligation .....	87	79	73
23.95	New obligations .....	-14	-13	-13
24.41	Unobligated balance available, end of year: U.S. Securities: Par value .....	72	66	60

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

60.27	Appropriation (trust fund, indefinite) .....	6	6	6
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00	Total new budget authority (gross) .....	7	7	7

**Change in unpaid obligations:**

72.41	Unpaid obligations, start of year: Obligated balance: U.S. Securities: Par value .....	20	20	19
73.10	New obligations .....	14	13	13
73.20	Total outlays (gross) .....	-13	-15	-13
74.41	Unpaid obligations, end of year: Obligated balance: U.S. Securities: Par value .....	20	19	19

UNITED STATES GOVERNMENT LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8150-0-7-701	1997 actual	1998 est.	1999 est.
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	1	1	1
86.98 Outlays from permanent balances .....	12	14	12
87.00 Total outlays (gross) .....	13	15	13
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Repayments of loans .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	7	7
90.00 Outlays .....	13	15	13

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

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

POLICIES AND INSURANCE IN FORCE

	1997 actual	1998 est.	1999 est.
Number of policies .....	21,343	19,625	18,017
Insurance in force (dollars in millions) .....	\$71	\$65	\$59

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

Assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decrease from \$91 million as of September 30, 1998, to \$84 million as of September 30, 1999, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 1999, totals \$82 million, leaving a balance of \$2 million for contingency reserves.

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

Status of Funds (in millions of dollars)

Identification code 36-8150-0-7-701	1997 actual	1998 est.	1999 est.
<b>Unexpended balance, start of year:</b>			
0101 U.S. Securities: Par value .....	99	92	84
<b>Cash income during the year:</b>			
Intragovernmental transactions:			
0240 Interest and profits on investments in public debt securities, USGLI, VA .....	6	6	6
Offsetting collections:			
0289 Offsetting Collections .....	1	1	1
0299 Total cash income .....	7	7	7
<b>Cash outgo during year:</b>			
0500 United States government life insurance fund .....	-13	-15	-13
<b>Unexpended balance, end of year:</b>			
0701 U.S. Securities: Par value .....	92	84	78

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	1997 actual	1998 est.	1999 est.
42.0 Insurance claims and indemnities .....	8	8	7
43.0 Interest and dividends .....	6	5	6
99.9 Total obligations .....	14	13	13

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Death claims .....	45	54	57
09.01 Cash surrenders .....	6	7	7
09.01 Dividends .....	104	104	101
09.01 All other .....	50	65	55
09.01 Payment to general operating expenses account .....	4	5	5
09.02 Capital investment .....	23	25	25
10.00 Total obligations .....	232	260	250
<b>Budgetary resources available for obligation:</b>			
21.41 Unobligated balance available, start of year: U.S. Securities: Par value .....	1,412	1,425	1,409
22.00 New budget authority (gross) .....	246	244	240
23.90 Total budgetary resources available for obligation .....	1,658	1,669	1,649
23.95 New obligations .....	-232	-260	-250
24.41 Unobligated balance available, end of year: U.S. Securities: Par value .....	1,425	1,409	1,399
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	246	244	240
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
Obligated balance:			
72.40 Uninvested .....	1	2	2
72.41 U.S. Securities: Par value .....	168	185	196
72.99 Total unpaid obligations, start of year .....	169	187	198
73.10 New obligations .....	232	260	250
73.20 Total outlays (gross) .....	-216	-249	-239
Unpaid obligations, end of year:			
Obligated balance:			
74.40 Uninvested .....	2	2	2
74.41 U.S. Securities: Par value .....	185	196	207
74.99 Total unpaid obligations, end of year .....	187	198	209
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	47	62	41
86.98 Outlays from permanent balances .....	169	187	198
87.00 Total outlays (gross) .....	216	249	239
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Interest on loans .....	-6	-7	-7
88.40 Insurance premiums earned .....	-74	-72	-70
88.40 Optional settlements .....	-2	-2	-3
88.40 Repayments of loans .....	-17	-18	-19
88.45 Offsetting governmental collections .....	-147	-145	-141
88.90 Total, offsetting collections (cash) .....	-246	-244	-240
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-30	5	-1

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

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

Budget program—

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

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

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

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

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

POLICIES AND INSURANCE IN FORCE			
	1997 actual	1998 est.	1999 est.
Number of policies .....	248,997	240,777	233,347
Insurance in force (dollars in millions) .....	\$3	\$3	\$3

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

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

Statement of Operations (in millions of dollars)

Identification code 36-8455-0-8-701				
	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	231	231	229	224
0102 Expense .....	-223	-225	-233	-226
0109 Net income or loss (-) .....	8	6	-4	-2

Balance Sheet (in millions of dollars)

Identification code 36-8455-0-8-701				
	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	1	2	2	2
Investments in US securities:				
1102 Treasury securities, par .....	1,580	1,610	1,605	1,606
1106 Receivables, net .....	37	36	36	35
1206 Non-Federal assets: Receivables, net .....			4	4
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	102	108	115	121
1999 Total assets .....	1,720	1,756	1,762	1,768
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	187	204	219	230
2206 Pension and other actuarial liabilities .....	1,481	1,494	1,488	1,487
2207 Other .....	19	19	18	17
2999 Total liabilities .....	1,687	1,717	1,725	1,734
<b>NET POSITION:</b>				
3100 Appropriated capital .....	1,412	1,425	1,409	1,399
3200 Invested capital .....	-1,378	-1,385	-1,373	-1,365
3999 Total net position .....	34	40	36	34
4999 Total liabilities and net position .....	1,721	1,757	1,761	1,768

Object Classification (in millions of dollars)

Identification code 36-8455-0-8-701			
	1997 actual	1998 est.	1999 est.
33.0 Investments and loans .....	23	25	25
42.0 Insurance claims and indemnities .....	89	112	105
43.0 Interest and dividends .....	120	123	120
99.9 Total obligations .....	232	260	250

CONSTRUCTION

Federal Funds

General and special funds:

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of [title] 38, [United States Code] U.S.C., including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$4,000,000 or more or where funds for a project were made available in a previous major project appropriation, [\$177,900,000] \$97,000,000, to remain available until expended: *Provided*, [That the \$32,100,000 provided under this heading in Public Law 104-204 for the replacement hospital at Travis Air Force Base, Fairfield, California, shall not be obligated for that purpose but shall be available for any project approved by the Congress in the budgetary process: *Provided further*:] That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year [1998] 1999, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, [1998] 1999, and (2) by the awarding of a construction contract by September 30, [1999] 2000: *Provided further*, That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: *Provided further*, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703			
	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Replacement and modernization .....	36	19	48
00.02 Nursing home care .....	1	1	1
00.06 Other improvements .....	183	213	157
00.07 National cemeteries .....	4	78	19
00.08 Replacement or renovation of regional offices .....	1	1	
10.00 Total obligations .....	225	312	225

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested .....	595	588	485
22.00 New budget authority (gross) .....	219	209	97
23.90 Total budgetary resources available for obligation .....	814	797	582
23.95 New obligations .....	-225	-312	-225
24.40 Unobligated balance available, end of year:			
Uninvested .....	588	485	357

New budget authority (gross), detail:

<b>Current:</b>			
40.00 Appropriation .....	219	178	97
40.79 Line item veto cancellation .....		-1	
43.00 Appropriation (total) .....	219	177	97
<b>Permanent:</b>			
65.00 Advance appropriation (definite) .....		32	
70.00 Total new budget authority (gross) .....	219	209	97

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	650	479	547

**General and special funds—Continued**

**CONSTRUCTION, MAJOR PROJECTS—Continued**

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

Identification code 36-0110-0-1-703	1997 actual	1998 est.	1999 est.
73.10 New obligations .....	225	312	225
73.20 Total outlays (gross) .....	-396	-244	-206
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	479	547	566
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	10	8	4
86.93 Outlays from current balances .....	386	236	193
86.98 Outlays from permanent balances .....			9
87.00 Total outlays (gross) .....	396	244	206
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	219	209	97
90.00 Outlays .....	396	244	206

Funds are requested for columbarium units at the Ft. Rosecrans and Florida National Cemeteries, seismic corrections project at San Juan, PR, and a clinical consolidation/seismic corrections project at Long beach, CA.

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

**Budget Authority by Program Activity**

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
Replacement and modernization .....		35	
Research and Education .....	16		
Outpatient and improvements .....	85	47	
Seismic corrections .....			73
Patient environment .....	40	46	
General .....	32	14	
Other departments .....	49	36	26
Advance appropriation provided under P.L. 104-204 .....		32	
Design fund offset .....	(3)	(1)	(2)
Total budget authority .....	219	209	97

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

Identification code 36-0110-0-1-703	1997 actual	1998 est.	1999 est.
11.3 Personnel compensation: Other than full-time permanent .....	1	1	1
25.2 Other services .....	24	25	25
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	2	3	3
32.0 Land and structures .....	196	281	194
99.9 Total obligations .....	225	312	225

**Personnel Summary**

Identification code 36-0110-0-1-703	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	25	50	50

**CONSTRUCTION, MINOR PROJECTS**

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of [title] 38, [United States Code] U.S.C., where the estimated cost of a project is less than \$4,000,000; [\$175,000,000] \$141,000,000,

to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than \$4,000,000: *Provided*, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

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

Identification code 36-0111-0-1-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Medical programs .....	144	156	136
00.06 National cemeteries .....	15	20	15
00.07 Computer centers, additions and alterations .....	3	9	3
00.08 Replacement or renovation of regional offices .....	5	9	6
10.00 Total obligations .....	167	194	160
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	59	67	48
22.00 New budget authority (gross) .....	175	175	141
23.90 Total budgetary resources available for obligation .....	234	242	189
23.95 New obligations .....	-167	-194	-160
24.40 Unobligated balance available, end of year:			
Uninvested .....	67	48	29

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

40.00 Appropriation .....	175	175	141
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**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	171	189	206
73.10 New obligations .....	167	194	160
73.20 Total outlays (gross) .....	-149	-177	-167
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	189	206	199

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	18	46	37
86.93 Outlays from current balances .....	131	131	130
87.00 Total outlays (gross) .....	149	177	167

**Net budget authority and outlays:**

89.00 Budget authority .....	175	175	141
90.00 Outlays .....	149	177	167

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

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

Identification code 36-0111-0-1-703	1997 actual	1998 est.	1999 est.
11.3 Personnel compensation: Other than full-time permanent .....	3	4	3
25.2 Other services .....	32	37	26
26.0 Supplies and materials .....	1	1	1
32.0 Land and structures .....	131	152	130
99.9 Total obligations .....	167	194	160

**Personnel Summary**

Identification code 36-0111-0-1-703	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	50	80	80

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131-8137, [**\$80,000,000**] \$37,000,000, to remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Grants to States .....	37	90	37
10.00 Total obligations (object class 41.0) .....	37	90	37
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....		10	
22.00 New budget authority (gross) .....	47	80	37
23.90 Total budgetary resources available for obligation	47	90	37
23.95 New obligations .....	-37	-90	-37
24.40 Unobligated balance available, end of year:			
Uninvested .....	10		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	47	80	37
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	124	120	163
73.10 New obligations .....	37	90	37
73.20 Total outlays (gross) .....	-41	-47	-52
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	120	163	148
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	41	47	52
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	47	80	37
90.00 Outlays .....	41	47	52

In 1998, the Department plans to obligate \$80 million to assist seven States to acquire or construct State home facilities for furnishing domiciliary or nursing home care to veterans and expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, \$10,000,000, to remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Grants to States .....	5	10	10
10.00 Total obligations (object class 41.0) .....	5	10	10
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	4		
22.00 New budget authority (gross) .....	1	10	10
23.90 Total budgetary resources available for obligation	5	10	10
23.95 New obligations .....	-5	-10	-10
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	1	10	10

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	14	13	21
73.10 New obligations .....	5	10	10
73.20 Total outlays (gross) .....	-6	-2	-5
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	13	21	27

Outlays (gross), detail:

86.93 Outlays from current balances .....	6	2	5
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Net budget authority and outlays:

89.00 Budget authority .....	1	10	10
90.00 Outlays .....	6	2	5

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

Public enterprise funds:

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 36-4538-0-3-703	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Operating expenses: parking leases .....	1	1	1
09.01 Capital investment: parking construction program .....	19	11	9
10.00 Total obligations .....	20	12	10
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	35	30	21
22.00 New budget authority (gross) .....	15	3	3
23.90 Total budgetary resources available for obligation	50	33	24
23.95 New obligations .....	-20	-12	-10
24.40 Unobligated balance available, end of year:			
Uninvested .....	30	21	14
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	12		
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	3	3	3
70.00 Total new budget authority (gross) .....	15	3	3

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	8	20	21
73.10 New obligations .....	20	12	10
73.20 Total outlays (gross) .....	-8	-11	-10
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	20	21	21

Outlays (gross), detail:

86.93 Outlays from current balances .....	5	8	7
86.97 Outlays from new permanent authority .....	3	3	3
87.00 Total outlays (gross) .....	8	11	10

Offsets:

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

Net budget authority and outlays:

89.00 Budget authority .....	12		
90.00 Outlays .....	5	8	7

**Public enterprise funds—Continued**

**PARKING REVOLVING FUND—Continued**

The Parking Revolving Fund provides funding for the construction and lease of parking facilities at various medical centers. Existing resources will be used to construct a parking garage at the Denver VA Medical Center.

Object Classification (in millions of dollars)				
Identification code 36-4538-0-3-703	1997 actual	1998 est.	1999 est.	
23.2 Direct obligations: Rental payments to others .....	1	1	1	1
32.0 Reimbursable obligations: Land and structures .....	19	11	9	9
99.9 Total obligations .....	20	12	10	10

**PERSHING HALL REVOLVING FUND**

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

Identification code 36-4018-0-3-705	1997 actual	1998 est.	1999 est.	
<b>Budgetary resources available for obligation:</b>				
21.40 Unobligated balance available, start of year:				
Uninvested .....	1	1	1	1
24.40 Unobligated balance available, end of year:				
Uninvested .....	1	1	1	1
<b>Change in unpaid obligations:</b>				
72.40 Unpaid obligations, start of year: Obligated balance:				
Uninvested .....	1	1	1	1
74.40 Unpaid obligations, end of year: Obligated balance:				
Uninvested .....	1	1	1	1
<b>Net budget authority and outlays:</b>				
89.00 Budget authority .....				
90.00 Outlays .....				

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

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

**DEPARTMENTAL ADMINISTRATION**

**GENERAL OPERATING EXPENSES**

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; [\$786,135,000] \$849,661,000: Provided, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act[: Provided further, That none of the funds made available under this heading may be used for the relocation of the loan guaranty divisions of the Department of Veterans Affairs Regional Office in St. Petersburg, Florida to the

Department of Veterans Affairs Regional Office in Atlanta, Georgia]. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

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

Identification code 36-0151-0-1-705	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
Direct program:				
Veterans benefits:				
00.04 Compensation and pensions .....	476	456	504	504
00.05 Education .....	71	68	71	71
00.06 Vocational rehabilitation and counseling .....	77	69	73	73
00.09 Insurance <sup>1</sup> .....	2	3	3	3
00.11 General administration .....	201	190	199	199
09.01 Administration of housing credit programs .....	139	161	160	160
09.02 Administration of other credit programs .....	1	1	1	1
09.03 Administration of insurance programs .....	34	36	39	39
09.04 Other reimbursable programs .....	77	136	174	174
09.99 Total reimbursable program .....	251	334	374	374
10.00 Total obligations .....	1,078	1,120	1,224	1,224
<b>Budgetary resources available for obligation:</b>				
22.00 New budget authority (gross) .....	1,079	1,120	1,224	1,224
22.30 Unobligated balance expiring .....	-1			
23.90 Total budgetary resources available for obligation	1,078	1,120	1,224	1,224
23.95 New obligations .....	-1,078	-1,120	-1,224	-1,224
<b>New budget authority (gross), detail:</b>				
Current:				
40.00 Appropriation .....	828	786	850	850
Permanent:				
68.00 Spending authority from offsetting collections: Off-				
setting collections (cash) .....	251	334	374	374
70.00 Total new budget authority (gross) .....	1,079	1,120	1,224	1,224
<b>Change in unpaid obligations:</b>				
72.40 Unpaid obligations, start of year: Obligated balance:				
Uninvested .....	128	138	79	79
73.10 New obligations .....	1,078	1,120	1,224	1,224
73.20 Total outlays (gross) .....	-1,067	-1,179	-1,217	-1,217
73.40 Adjustments in expired accounts .....	-2			
74.40 Unpaid obligations, end of year: Obligated balance:				
Uninvested .....	138	79	85	85
<b>Outlays (gross), detail:</b>				
86.90 Outlays from new current authority .....	715	707	765	765
86.93 Outlays from current balances .....	101	138	79	79
86.97 Outlays from new permanent authority .....	251	334	374	374
87.00 Total outlays (gross) .....	1,067	1,179	1,217	1,217
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00 Offsetting collections (cash) from: Federal sources	-251	-334	-374	-374
<b>Net budget authority and outlays:</b>				
89.00 Budget authority .....	828	786	850	850
90.00 Outlays .....	816	845	843	843

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

This appropriation provides for the administration of non-medical veterans benefits through the Veterans Benefits Administration (VBA) and the Department's top management direction and administrative support, including data processing, fiscal, personnel, and legal services.

*Veterans benefits.*—Determines eligibility and adjudicates all claims for compensation, pensions, educational assistance, housing loan assistance, and insurance awards. Administrative resources are based on the Presidential policy of not paying compensation benefits for tobacco-related claims based solely on tobacco use during military service. A summary of VBA's program objectives and anticipated workload is included in the following paragraphs. Workload data for this program is shown below. Specific performance goals relating



to the processing of veterans benefits are contained in VA's annual performance plan.

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

**WORKLOAD**

[Claims completed in thousands]

	1997 actual	1998 projected	1999 projected
Compensation and Pension:			
Original and reopened compensation claims .....	510	571	600
Original and reopened pension claims .....	166	170	176

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

**WORKLOAD**

[In thousands]

	1997 actual	1998 est.	1999 est.
Education:			
Original claims .....	146	144	144
Adjustments/supplemental claims .....	1,045	1,002	1,003

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

**WORKLOAD**

[In thousands]

	1997 actual	1998 est.	1999 est.
Loan guaranty:			
Construction and valuation .....	342	340	316
Loan processing .....	725	720	670
Loan service and claims .....	365	370	375
Property management .....	50	55	58

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

**WORKLOAD**

[In thousands]

	1997 actual	1998 est.	1999 est.
Vocational rehabilitation and counseling:			
Evaluation and planning .....	51	50	50
Rehabilitation services .....	48	53	53
Employment services status .....	10	9	9
Vocational/educational counseling .....	15	14	14

**Insurance.**—Provides life insurance protection for servicepersons and veterans. The VA administers five life insurance programs and supervises three others through contractual agreements with commercial companies.

**WORKLOAD**

[In thousands]

	1997 actual	1998 est.	1999 est.
Insurance:			
Policy service actions .....	1,413	1,721	1,798
Collections .....	3,694	3,471	3,263
Disability claims .....	40	12	10
Insurance awards .....	573	608	1,260

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

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

Identification code 36-0151-0-1-705	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	472	460	468
11.5 Other personnel compensation .....	11	8	19
11.9 Total personnel compensation .....	483	468	487
12.1 Civilian personnel benefits .....	100	100	104
13.0 Benefits for former personnel .....	12	10	1
Travel and transportation of persons:			
21.0 Employee travel .....	8	7	8
21.0 Interagency motor pool payments .....	2	2	2
22.0 Transportation of things .....	1	2	2
23.1 Rental payments to GSA .....	75	69	72
23.2 Rental payments to others .....	6	7	7
23.3 Communications, utilities, and miscellaneous charges .....	32	28	47
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	2	1	
25.2 Other services .....	74	77	97
26.0 Supplies and materials .....	12	8	10
31.0 Equipment .....	18	5	11
99.0 Subtotal, direct obligations .....	827	786	850
99.0 Reimbursable obligations .....	251	334	374
99.9 Total obligations .....	1,078	1,120	1,224

**Personnel Summary**

Identification code 36-0151-0-1-705	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment <sup>1</sup> .....	10,931	10,326	10,283
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	3,228	3,250	3,515

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

**OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, **[\$31,013,000]** \$32,702,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

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

Identification code 36-0170-0-1-705	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.10 Direct program .....	31	31	33
01.01 Reimbursable program .....	1	2	2
10.00 Total obligations .....	32	33	35
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....	33	33	35
23.95 New obligations .....	-32	-33	-35
New budget authority (gross), detail:			
Current:			
40.00 Appropriation .....	31	31	33
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	2
70.00 Total new budget authority (gross) .....	33	33	35
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	5	5	7
73.10 New obligations .....	32	33	35
73.20 Total outlays (gross) .....	-32	-31	-33
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	5	7	9
Outlays (gross), detail:			
86.90 Outlays from new current authority .....	27	29	31

OFFICE OF INSPECTOR GENERAL—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0170-0-1-705	1997 actual	1998 est.	1999 est.
86.93 Outlays from current balances .....	3	2	2
86.97 Outlays from new permanent authority .....	2	2	2
86.98 Outlays from permanent balances .....	2		
87.00 Total outlays (gross) .....	32	31	33
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	31	31	33
90.00 Outlays .....	31	29	31

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

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	22	22	24
12.1 Civilian personnel benefits .....	4	5	5
21.0 Travel and transportation of persons .....	2	2	2
23.1 Rental payments to GSA .....	2	1	1
25.2 Other services .....	1	1	1
31.0 Equipment .....	1		
99.0 Subtotal, direct obligations .....	32	31	33
99.0 Reimbursable obligations .....		2	2
99.9 Total obligations .....	32	33	35

Personnel Summary

Identification code 36-0170-0-1-705	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	322	323	317
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	17	20	23

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of [three] six passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, **[\$84,183,000] \$92,006,000.** (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.10 Direct obligations .....	77	84	92
10.00 Total obligations .....	77	84	92
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	77	84	92
23.95 New obligations .....	-77	-84	-92
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	77	84	92
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	12	10	11
73.10 New obligations .....	77	84	92
73.20 Total outlays (gross) .....	-78	-83	-91
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	10	11	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	69	76	83
86.93 Outlays from current balances .....	9	7	8
87.00 Total outlays (gross) .....	78	83	91
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	77	84	92
90.00 Outlays .....	77	83	91

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

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

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

Object Classification (in millions of dollars)

Identification code 36-0129-0-1-705	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	38	40	42
11.3 Other than full-time permanent .....	5	6	6
11.9 Total personnel compensation .....	43	46	48
12.1 Civilian personnel benefits .....	12	13	14
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges	4	4	5
25.2 Other services .....	7	9	11
26.0 Supplies and materials .....	6	6	7

31.0	Equipment .....	3	4	5
99.9	Total obligations .....	77	84	92

**Personnel Summary**

Identification code 36-0129-0-1-705	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	1,283	1,348	1,369

**Intragovernmental funds:**

**SUPPLY FUND**

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

Identification code 36-4537-0-4-705	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Cost of goods sold .....	443	554	578
09.01 Other .....	40	47	47
09.02 Cost of goods sold .....	10	10	10
09.02 Other .....	1	1	1
09.03 Procurement, distribution, and services program: Purchase of equipment .....	11	3	3
10.00 Total obligations .....	505	615	639

<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	58	83	83
22.00 New budget authority (gross) .....	530	615	639
23.90 Total budgetary resources available for obligation .....	588	698	722
23.95 New obligations .....	-505	-615	-639
24.40 Unobligated balance available, end of year: Uninvested .....	83	83	83

<b>New budget authority (gross), detail:</b>			
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	501	615	639
68.10 Change in orders on hand from Federal sources .....	29		
68.90 Spending authority from offsetting collections (total) .....	530	615	639
70.00 Total new budget authority (gross) .....	530	615	639

<b>Change in unpaid obligations:</b>			
<b>Unpaid obligations, start of year:</b>			
72.40 Obligated balance: Uninvested .....	57	33	33
72.95 Orders on hand from Federal sources .....	203	232	232
72.99 Total unpaid obligations, start of year .....	260	265	265
73.10 New obligations .....	505	615	639
73.20 Total outlays (gross) .....	-500	-615	-639
<b>Unpaid obligations, end of year:</b>			
74.40 Obligated balance: Uninvested .....	33	33	33
74.95 Orders on hand from Federal sources .....	232	232	232
74.99 Total unpaid obligations, end of year .....	265	265	265

<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	500	615	639

<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-501	-615	-639
88.95 Change in orders on hand from Federal sources .....	-29		

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1		

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority .....			
Outlays .....	-1		
Legislative proposal, subject to PAYGO:			
Budget Authority .....			

Outlays .....			
Total:			
Budget Authority .....			
Outlays .....	-1		

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

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

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

**Financing.**—Costs of supplies, equipment, and services acquired through the Supply Fund and Supply Fund operating costs are recovered through reimbursements from the VA appropriations and other Government agencies receiving goods and services. For 1999, Supply Fund sales are estimated to reach \$618 million. Average inventory needed to support those sales will be \$39 million.

**Operating results.**—The Fund operated at a profit of \$9 million in 1997. The new total of retained earnings is \$61 million, which has been used to finance inventory growth. Operating expense as related to sales was 11 percent.

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

Identification code 36-4537-0-4-705	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	17	19	21
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	18	20	22
12.1 Civilian personnel benefits .....	3	4	4
21.0 Travel and transportation of persons .....	2	4	4
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	2	2
24.0 Printing and reproduction .....	10	10	10
25.1 Advisory and assistance services .....	14	13	13
26.0 Supplies and materials .....	235	308	322
31.0 Equipment .....	220	252	260
99.9 Total obligations .....	505	615	639

**Personnel Summary**

Identification code 36-4537-0-4-705	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....	350	375	399

**SUPPLY FUND**

(Legislative proposal, subject to PAYGO)

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

Identification code 36-4537-4-4-705	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.03 Procurement, distribution, and services program: Purchase of equipment .....			5
10.00 Total obligations (object class 31.0) .....			5

<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			5
23.95 New obligations .....			-5

**Intragovernmental funds—Continued**

**SUPPLY FUND—Continued**

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

Identification code 36-4537-4-4-705	1997 actual	1998 est.	1999 est.
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			5
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			5
73.20 Total outlays (gross) .....			-5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....			5
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....			-5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

In 1999, the budget proposes that VA be given the authority to charge lenders a fee of \$25 for each VA loan that is guaranteed. VA will charge this fee for 3 years, and all fees collected would be earmarked for use in developing, maintaining, and enhancing a VA Loan Information System (VALIS) that would interact with the information systems used by lenders to make VA guaranteed loans. Collections would be deposited into the Supply Fund and be available solely for the VALIS system. VA may spend up to \$15 million of its collections on this information system. After September 30, 2003, any unobligated collections would be transferred as miscellaneous receipts to the Treasury.

**FRANCHISE FUND**

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

Identification code 36-4539-0-4-705	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	56	68	74
10.00 Total obligations .....	56	68	74
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....		3	3
22.00 New budget authority (gross) .....	59	68	74
23.90 Total budgetary resources available for obligation	59	71	77
23.95 New obligations .....	-56	-68	-74
24.40 Unobligated balance available, end of year:			
Uninvested .....	3	3	3
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	59	68	74
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....		8	12
73.10 New obligations .....	56	68	74
73.20 Total outlays (gross) .....	-47	-64	-73
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	8	12	13
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	47	56	61
86.98 Outlays from permanent balances .....		8	12
87.00 Total outlays (gross) .....	47	64	73

<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-59	-68	-74
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-11	-4	-1

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. Established in FY 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Operating Expenses Appropriation. VA's franchise fund is a revolving fund used to supply common administrative services on the basis of services supplied. Service Activities are expected to have net billings of about \$73.8 million and employ 749 people, who were transferred from their parent organizations.

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

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

Identification code 36-4539-0-4-705	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	21	30	30
12.1 Civilian personnel benefits .....	4	7	8
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges	19	23	23
25.2 Other services .....	6	4	8
26.0 Supplies and materials .....	1	1	2
31.0 Equipment .....	2		
99.9 Total obligations .....	56	68	74

**Personnel Summary**

Identification code 36-4539-0-4-705	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....	422	664	742

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
<b>Offsetting receipts from the public:</b>			
36-243100 Fees and other charges for medical services, VA .....	455	9	
36-247300 Contributions from military personnel, Veteran's Educational Assistance Act of 1984 .....	185	248	249
General Fund Offsetting receipts from the public .....	640	257	249

**ADMINISTRATIVE PROVISIONS**

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year [1998] 1999 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year [1998] 1999 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

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

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing

such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless reimbursement of cost is made to the “Medical care” account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year [1998] 1999 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 [1997] 1998.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year [1998] 1999 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from “Compensation and pensions”.

SEC. 107. Notwithstanding any other provision of law, during fiscal year [1998] 1999, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans’ Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the “General operating expenses” account for the cost of administration of the insurance programs financed through those accounts: *Provided*, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year [1998] 1999, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: *Provided further*, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: *Provided further*, That the Secretary shall determine the cost of administration for fiscal year [1998] 1999, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

[SEC. 108. Section 214(l)(1)(D) of the Immigration and Nationality Act (8 U.S.C. 1184(l)(1)(D)) (as added by section 220 of the Immigration and Nationality Technical Corrections Act of 1994 and redesignated as subsection (l) by section 671(a)(3)(A) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996) is amended by inserting before the period at the end the following: “, except that, in the case of a request by the Department of Veterans Affairs, the alien shall not be required to practice medicine in a geographic area designated by the Secretary”.]

[SEC. 109. In accordance with section 1557 of title 31, United States Code, the following obligated balance shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure without fiscal year limitation: Funds obligated by the Department of Veterans Affairs for lease number 757–084B–001–91 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Public Law 102–389) under the heading “Medical care”.]

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

*Sec. 109. Beginning in fiscal year 1999, and thereafter, funds available in any Department of Veterans Affairs appropriation or fund for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for all services provided at rates which will recover actual costs. Payments may be made in advance for services to be furnished based on estimated costs. Amounts received shall be credited to the General Operating Expenses account for use by the office that provided the service. (De-*

*partments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)*

## TITLE IV—GENERAL PROVISIONS

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

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

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

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

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

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

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

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

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

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

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

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

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

SEC. 410. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within 24 months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

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

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

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

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

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

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

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

SEC. 417. Such sums as may be necessary for fiscal year [1998] 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

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

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [1998] 1999 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 420. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year [1998] 1999 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

[SEC. 421. Such funds as may be necessary to carry out the orderly termination of the Office of Consumer Affairs shall be made available from funds appropriated to the Department of Health and Human Services for fiscal year 1998.]

SEC. [422] 421. Notwithstanding any other provision of law, the term "qualified student loan" with respect to national service education awards shall mean any loan made directly to a student by the Alaska Commission on Postsecondary Education, in addition to other meanings under section 148(b)(7) of the National and Community Service Act. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)