

DEPARTMENT OF VETERANS AFFAIRS

The 2001 budget provides \$22,363 million in discretionary funding for veterans health, benefits, and other services, including \$22,971 million in gross discretionary budget authority and \$608 million in anticipated medical collections.

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

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

The 2001, performance plan highlights approximately 25 key measures determined by the VA's top executives as overall measures of departmental performance. In addition, the performance plan identifies the total budgetary resources, including FTE, associated with each of VA's major programs.

VETERANS HEALTH ADMINISTRATION

Federal Funds

General and special funds:

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the department for collecting and recovering amounts owed the department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed **[\$8,000,000]** \$16,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5), **[\$19,006,000,000]** \$20,281,587,000, plus reimbursements: *Provided*, That of the funds made available under this heading, \$900,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, **[2000]** 2001, and shall remain available until September 30, **[2001]** 2002: *Provided further*, That of the funds made available under this heading, not to exceed \$900,000,000 shall be available until September 30, **[2001]** *Provided further*, That of the funds made available under this heading, not to exceed \$27,907,000 may be transferred to and merged with the appropriation for "General operating expenses" **[2002]** *Provided further*, That the department shall conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payments for hospital care; and, notwithstanding 31 U.S.C. 3302(b), amounts collected, by setoff or otherwise, as the result

of such audits shall be available, without fiscal year limitation, for the purposes for which funds are appropriated under this heading and the purposes of paying a contractor a percent of the amount collected as a result of an audit carried out by the contractor: *Provided further*, That all amounts so collected under the preceding proviso with respect to a designated health care region (as that term is defined in 38 U.S.C. 1729A(d)(2)) shall be allocated, net of payments to the contractor, to that region.

[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, 2000.*)

Unavailable Collections (in millions of dollars)

Identification code 36-0160-0-1-703	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	54	51	51
Receipts:			
02.01 Medical care collections	574	600	.....
02.08 MCCF first party collections .....	.....	.....	203
02.09 MCCF third party collections .....	.....	.....	290
02.10 DOD tricare reimbursement .....	.....	.....	115
02.99 Total receipts	574	600	608
04.00 Total: Balances and collections	628	651	659
Appropriation:			
05.01 Medical care	-577	-600	-608
07.99 Total balance, end of year	51	51	51

Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care	4,587	4,963	5,173
00.02 Rehabilitative care	359	375	392
00.03 Psychiatric care	1,129	1,124	1,134
00.04 Nursing home care	1,727	1,884	1,976
00.05 Subacute care	370	361	357
00.06 Residential care	337	375	395
00.07 Outpatient care	7,499	8,600	9,557
00.08 Miscellaneous benefits and services	908	956	966
00.09 CHAMPVA	118	128	139
00.91 Total operating expenses	17,034	18,766	20,089
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care	254	217	233
01.02 Rehabilitative care	19	16	18
01.03 Psychiatric care	50	49	51
01.04 Nursing home care	52	82	89
01.05 Subacute care	15	16	16
01.06 Residential care	14	16	18
01.07 Outpatient care	310	375	431
01.08 Miscellaneous benefits and services	25	42	44
01.91 Total capital investment	739	813	900
01.92 Total direct program	17,773	19,579	20,989
09.01 Reimbursable program	103	117	126
10.00 Total new obligations	17,876	19,696	21,115
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1,039	1,082	1,005
22.00 New budget authority (gross)	17,923	19,615	21,016

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	1999 actual	2000 est.	2001 est.
22.10 Resources available from recoveries of prior year obligations		3	3
23.90 Total budgetary resources available for obligation	18,962	20,700	22,024
23.95 Total new obligations	-17,876	-19,696	-21,115
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance available, end of year	1,082	1,005	909
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17,306	19,006	20,282
Appropriation (special fund, indefinite):			
40.25 Appropriation (special fund, indefinite)	577	600	
40.25 Appropriation (special fund, indefinite)			608
40.75 Reduction pursuant to P.L. 106-51	-35		
40.76 Reduction pursuant to P.L. 106-113		-80	
41.00 Transferred to other accounts	-28	-28	
43.00 Appropriation (total discretionary)	17,820	19,498	20,890
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	103	117	126
70.00 Total new budget authority (gross)	17,923	19,615	21,016
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	2,734	2,572	3,712
73.10 Total new obligations	17,876	19,696	21,115
73.20 Total outlays (gross)	-17,950	-18,553	-21,193
73.40 Adjustments in expired accounts (net)	-88		
73.45 Adjustments in unexpired accounts		-3	-3
74.40 Unpaid obligations, end of year: Obligated balance, end of year	2,572	3,712	3,631
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	15,018	15,902	17,233
86.93 Outlays from discretionary balances	2,932	2,651	3,688
86.97 Outlays from new mandatory authority			272
87.00 Total outlays (gross)	17,950	18,553	21,193
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-51	-58	-66
88.40 Non-Federal sources	-52	-59	-60
88.90 Total, offsetting collections (cash)	-103	-117	-126
Net budget authority and outlays:			
89.00 Budget authority	17,820	19,498	20,890
90.00 Outlays	17,846	18,436	21,067

For 2001, the budget provides a total VA Medical Care program level of \$20,890 million, an increase of \$1,392 million over the 2000 level. This includes \$20,282 million in appropriated budget authority and \$608 million in anticipated medical collections. VA's authority to retain all collections from third party insurance companies, other copayments, and related medical fees is relatively uncommon in the federal government and critical to VA's success in providing care to veterans.

The 2001 budget includes a proposal to consolidate the Health Services Improvement Fund and the Extended Care Revolving Fund with the Medical Care Collections Fund. The Health Services Improvement Fund was established by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117. This fund serves as a depository for amounts received or collected under the following areas as authorized by title 38, U.S.C. 1729B: (1) reimbursement from DoD for Tricare-eligible military retirees; (2) enhanced-use lease proceeds; and (3) receipts attributable to increases in medication copay-

ments. Amounts in the fund are intended to be used to: (1) furnish medical care services and (2) for VA expenses for identification, billing, auditing and collections of amounts owed the Government. These funds are available without fiscal year limitation.

The Extended Care Revolving Fund was also established by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117. This fund receives per diems and co-pays from certain patients receiving extended care services as authorized in title 38, U.S.C. 1710B. Amounts deposited in the fund are used to provide extended care services. The proposal would also return one half of the first \$700,000,000 (\$350,000,000), in collections received by the consolidated fund to the Treasury.

The 2001 budget also includes a legislative proposal to permanently extend current legal provisions due to expire in 2003. These provisions provide for the collection of third-party health insurance payments for care provided by the VA for service-connected veterans with nonservice connected conditions, copayments, and income verification provisions.

WORKLOAD*Provision of Veterans Health Care—*

Acute hospital care.—Costs for 2001 are estimated to increase by \$227 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:

	1999 actual	2000 est.	2001 est.
Patients treated	434,468	425,500	411,640
Average daily census	8,371	7,484	6,725
Average employment	52,526	49,322	46,359

Rehabilitative care.—An increase of \$20 million in 2001 is estimated for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	1999 actual	2000 est.	2001 est.
Patients treated	16,274	15,470	14,656
Average daily census	1,259	1,156	1,052
Average employment	4,848	4,700	4,465

Psychiatric care.—An increase of \$12 million is estimated in 2001 for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

	1999 actual	2000 est.	2001 est.
Patients treated	111,726	100,000	86,200
Average daily census	5,144	4,269	3,586
Average employment	16,447	15,000	13,800

Nursing home care.—In 2001, an increase of \$99 million is estimated for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	1999 actual	2000 est.	2001 est.
Patients treated	89,217	93,030	98,929
Average daily census	32,204	32,552	32,769
Average employment	21,018	21,762	22,539

Noninstitutional extended care.—Included in estimates above in 2001 is an increase of \$278 million estimated for noninstitutional extended care programs such as adult day care; home based primary care, skilled nursing and rehabilitation care; and home health aids.

Estimated operating levels are:

	1999 actual	2000 est.	2001 est.
Patients treated	21,371	26,905	53,240
Average employment			

Subacute care.—A decrease of \$4 million is estimated in 2001 for the treatment of veterans who require a level of care between acute and long-term care, as provided in VA hospital intermediate bed sections.

Estimated operating levels are:

	1999 actual	2000 est.	2001 est.
Patients treated	50,332	54,000	59,268
Average daily census	2,562	2,254	2,006
Average employment	5,697	5,298	4,953

Residential care.—An increase of \$22 million is estimated in 2001 for the care of veterans in locations other than their own homes, such as residential rehabilitation and domiciliary care programs.

Estimated operating levels are:

	1999 actual	2000 est.	2001 est.
Patients treated	49,774	50,008	50,490
Average daily census	10,496	10,386	10,231
Average employment	4,696	4,784	4,890

Outpatient care.—An increase of \$1,020 million is estimated in 2001 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.

Estimated operating levels are:

NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS

	1999 actual	2000 est.	2001 est.
Medical visits (in thousands):			
Staff visits	35,236	37,700	39,000
Fee visits	1,692	1,861	2,010
Readjustment counseling	871	827	827
Total	37,799	40,388	41,837
Dental:			
Staff:			
Examinations	284,425	287,000	287,000
Treatments	155,336	159,000	159,000
Total	439,761	446,000	446,000
Fee: Cases completed	11,648	14,000	14,000
Average employment	69,503	71,486	73,883

Miscellaneous benefits and services.—An increase of \$12 million is estimated in 2001 for the cost of this activity which includes items of nondirect medical care and treatment such as beneficiary travel, care of the dead, operation of personnel quarters at medical facilities, and the cost of furnishing supply, engineering, housekeeping, and other administrative support services to other departments on a nonreimbursable basis.

	1999 actual	2000 est.	2001 est.
Average employment	7,737	7,969	8,128

Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).—An increase of \$11 million is estimated in 2001 for private hospital and outpatient care for dependents and survivors of certain veterans.

Estimated operating levels are:

	1999 actual	2000 est.	2001 est.
Average daily hospital census	140	140	140
Outpatient (in thousands)	1,076	1,178	1,290
Average employment	189	189	189

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	1999 actual	2000 est.	2001 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	6,709	6,964	7,338
11.3 Other than full-time permanent	884	918	967
11.5 Other personnel compensation	798	828	873
11.9 Total personnel compensation	8,391	8,710	9,178
12.1 Civilian personnel benefits	2,043	2,183	2,235
13.0 Benefits for former personnel	9	132	10
Travel and transportation of persons:			
21.0 Employee travel	46	55	55
21.0 Beneficiary travel	115	120	120
21.0 Interagency motor pool payments	15	16	16
21.0 All other	32	32	32
22.0 Transportation of things	20	20	20

	1999 actual	2000 est.	2001 est.
23.1 Rental payments to GSA	11	12	13
23.2 Rental payments to others	61	65	68
23.3 Communications, utilities, and miscellaneous charges	485	533	531
24.0 Printing and reproduction	10	10	10
25.2 Other contractual services	1,476	1,771	2,160
Medical care:			
25.6 Outpatient dental fees	11	14	14
25.6 Medical and nursing fees	319	363	380
25.6 Community nursing homes	205	229	239
25.6 Contract hospitalization	189	217	225
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs	106	116	126
Supplies and materials:			
26.0 Supplies and materials	3,123	3,733	4,196
26.0 Provisions	76	76	79
31.0 Equipment	486	550	626
32.0 Land and structures	253	263	274
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions	273	325	347
41.0 Grants to private organizations	16	32	33
43.0 Interest and dividends	2	2	2
99.0 Subtotal, direct obligations	17,773	19,579	20,989
99.0 Reimbursable obligations	103	117	126
99.9 Total new obligations	17,876	19,696	21,115

Personnel Summary

Identification code 36-0160-0-1-703	1999 actual	2000 est.	2001 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	181,605	179,382	178,060
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	1,056	1,128	1,146

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, [2001, \$321,000,000] 2002, \$321,000,000, plus reimbursements. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 36-0161-0-1-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
00.01 Medical research	167	185	175
00.02 Rehabilitation research	24	27	27
00.03 Health services research	39	43	43
00.04 Cooperative studies research	52	58	58
00.91 Total operating expenses	282	313	303
Capital investment:			
01.01 Medical research	17	14	13
01.02 Rehabilitation research	3	2	2
01.03 Health services research	2	2	1
01.04 Cooperative studies research	3	3	2
01.91 Total capital investment	25	21	18
01.92 Total direct program	307	334	321
09.01 Reimbursable program	41	33	40
10.00 Total new obligations	348	367	361
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	19	28	15
22.00 New budget authority (gross)	357	354	361
23.90 Total budgetary resources available for obligation	376	382	376
23.95 Total new obligations	-348	-367	-361
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance available, end of year	28	15	15

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	1999 actual	2000 est.	2001 est.	
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	316	321	321
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	41	33	40
70.00	Total new budget authority (gross)	357	354	361
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	122	110	132
73.10	Total new obligations	348	367	361
73.20	Total outlays (gross)	-358	-345	-366
73.40	Adjustments in expired accounts (net)	-2		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	110	132	125
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	249	261	275
86.93	Outlays from discretionary balances	109	83	91
87.00	Total outlays (gross)	358	345	366
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-41	-33	-40
Net budget authority and outlays:				
89.00	Budget authority	316	321	321
90.00	Outlays	316	312	326

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

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

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

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

Cooperative Studies.—Cooperative Studies Research has recently been separated from the Medical Research and Health Services Research programs and is directed toward large

multi-site clinical trials. Cooperative Studies supports the clinical trials with its own statistical support centers and its own FDA-approved pharmacy. The research determines the efficacy and cost effectiveness of new medications and new treatment strategies of direct benefit to the veteran population in the areas of aging, chronic disease, mental illness, special populations, and military occupations and environmental exposures.

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

SUMMARY OF BUDGETARY RESOURCES

	[In millions of dollars]		
	1999 actual	2000 est.	2001 est.
Medical and prosthetic research appropriation	316	321	321
Medical care appropriation	326	331	331
Federal grants (NIH)	337	343	348
Other grants (voluntary agencies, private proprietary)	143	145	147
Total budgetary resources	1,122	1,140	1,147

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	1999 actual	2000 est.	2001 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	41	44	43
11.3	Other than full-time permanent	76	89	86
11.5	Other personnel compensation	4	4	4
11.9	Total personnel compensation	121	137	133
12.1	Civilian personnel benefits	29	35	34
21.0	Employee travel	3	3	2
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.5	Research and development contracts	101	104	100
26.0	Supplies and materials	32	34	31
31.0	Equipment	20	20	20
99.0	Subtotal, direct obligations	307	334	321
99.0	Reimbursable obligations	41	33	40
99.9	Total new obligations	348	367	361

Personnel Summary

Identification code 36-0161-0-1-703	1999 actual	2000 est.	2001 est.	
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	2,486	2,707	2,552
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	488	283	331

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 capital policy activities, [\$59,703,000] \$64,884,000 plus reimbursements: *Provided*, That [project] technical and consulting services offered by the Facilities Management [Service Delivery Office] *Field Service*, including [technical consulting services,] project management, real property administration (including leases, site acquisition and disposal activities directly supporting projects), shall be provided to Department of Veterans Affairs components only on a reimbursable basis, and such amounts will remain available until September 30, [2000] 2001. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Operating expenses: Integrated health care system administration	58	59	64
00.02 Capital investment	5	1	1
01.00 Total direct program	63	60	65
09.01 Reimbursable program	7	7	7
10.00 Total new obligations	63	67	72
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	63	67	72
23.95 Total new obligations	-63	-67	-72
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	63	60	65
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		7	7
70.00 Total new budget authority (gross)	63	67	72
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	12	13	14
72.95 From Federal sources: Receivables and unpaid, unfilled orders			1
72.99 Total unpaid obligations, start of year	12	13	15
73.10 Total new obligations	63	67	72
73.20 Total outlays (gross)	-61	-64	-74
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	13	14	12
74.95 From Federal sources: Receivables and unpaid, unfilled orders		1	1
74.99 Total unpaid obligations, end of year	13	15	13
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	52	58	65
86.93 Outlays from discretionary balances	9	6	9
87.00 Total outlays (gross)	61	64	74
Offsets:			
Against gross budget authority and outlays:			
88.45 Offsetting collections (cash) from: Offsetting governmental collections from the public		-7	-7
Net budget authority and outlays:			
89.00 Budget authority	63	60	65
90.00 Outlays	61	57	67

Supervision and administration of VA's comprehensive and integrated healthcare system.—Central office staff elements provide executive direction for all Departmental medical and construction programs through program development, implementation, and the administration of policies, plans, and objectives. In 2001, the Facilities Management Service Delivery Office will be directly reimbursed from organizations utilizing its services. The funding for tactical management and support activities is being aligned with organizations that directly utilize its services.

Object Classification (in millions of dollars)

Identification code 36-0152-0-1-703	1999 actual	2000 est.	2001 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	34	37	43
11.3 Other than full-time permanent	3	1	1
11.5 Other personnel compensation	2	3	3
11.9 Total personnel compensation	39	41	47
12.1 Civilian personnel benefits	7	7	8
21.0 Travel and transportation of persons: employee travel	1	1	1
23.1 Rental payments to GSA	5	5	6

23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	4	3	1
26.0 Supplies and materials	1	1	
31.0 Equipment	5	1	1
99.0 Subtotal, direct obligations	63	60	65
99.0 Reimbursable obligations		7	7
99.9 Total new obligations	63	67	72

Personnel Summary

Identification code 36-0152-0-1-703	1999 actual	2000 est.	2001 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	488	484	527
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment		57	57

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Program and Financing (in millions of dollars)

Identification code 36-0163-0-1-703	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

No appropriation for this account was requested in 1999 through 2001.

MEDICAL CARE COST RECOVERY FUND

Program and Financing (in millions of dollars)

Identification code 36-5014-0-2-703	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		1	
73.20 Total outlays (gross)		-1	
Outlays (gross), detail:			
86.98 Outlays from mandatory balances		1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		1	

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

General and special funds—Continued

MEDICAL CARE COST RECOVERY FUND—Continued

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

Public enterprise funds:

MEDICAL FACILITIES REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4138-0-3-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Reimbursable operating costs	1	1	1
09.02 Reimbursable capital expenses	2	3	3
10.00 Total new obligations	3	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	5	5	4
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	8	8	7
23.95 Total new obligations	-3	-4	-4
24.40 Unobligated balance available, end of year	5	4	4
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	3	3	3
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		1	1
73.10 Total new obligations	3	4	4
73.20 Total outlays (gross)	-3	-3	-4
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3	3	3
86.98 Outlays from mandatory balances	3	2	2
87.00 Total outlays (gross)	3	3	4
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-3	-3	-3
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			1

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

Object Classification (in millions of dollars)

Identification code 36-4138-0-3-703	1999 actual	2000 est.	2001 est.
25.2 Other services		1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	2	2
99.9 Total new obligations	3	4	4

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Reimbursable operating expenses	129	132	134
09.02 Reimbursable direct operations	85	89	88
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold	5	6	6
10.00 Total new obligations	219	227	228
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	15	14	17
22.00 New budget authority (gross)	218	228	229
23.90 Total budgetary resources available for obligation	233	242	246
23.95 Total new obligations	-219	-227	-228
24.40 Unobligated balance available, end of year	14	17	17
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	218	228	229
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	24	25	23
73.10 Total new obligations	219	227	228
73.20 Total outlays (gross)	-218	-229	-231
74.40 Unpaid obligations, end of year: Obligated balance, end of year	25	23	20
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	215	225	226
86.98 Outlays from mandatory balances	3	3	3
87.00 Total outlays (gross)	218	229	231
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-2	-2
88.40 Non-Federal sources	-217	-226	-227
88.90 Total, offsetting collections (cash)	-218	-228	-229
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		1	2
Memorandum (non-add) entries:			
92.01 Total investments, start of year: U.S. securities: Par value	38	37	42
92.02 Total investments, end of year: U.S. securities: Par value	37	42	40

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

Financing.—Operations will be financed from current revenues.

Object Classification (in millions of dollars)

Identification code 36-4014-0-3-705	1999 actual	2000 est.	2001 est.
Personnel compensation:			
11.1 Full-time permanent	38	37	38
11.3 Other than full-time permanent	21	25	25
11.9 Total personnel compensation	59	62	63
12.1 Civilian personnel benefits	15	15	15
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	3	3	3
26.0 Supplies and materials	135	139	139
31.0 Equipment	5	6	6
99.9 Total new obligations	219	227	228

Personnel Summary

Identification code 36-4014-0-3-705	1999 actual	2000 est.	2001 est.
Total compensable workyears:			
2001 Full-time equivalent employment		3,025	3,025
2011 Exempt Full-time equivalent employment	3,010		

SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND

Program and Financing (in millions of dollars)

Identification code 36-4048-0-3-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Contracts	24	25	25
09.02 Education and training	2	2	2
09.03 Operating expenses	13	13	13
10.00 Total new obligations	39	40	40
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	12	13	15
22.00 New budget authority (gross)	40	41	42
23.90 Total budgetary resources available for obligation	52	54	57
23.95 Total new obligations	-39	-40	-40
24.40 Unobligated balance available, end of year	13	15	17

New budget authority (gross), detail:

Mandatory:			
69.00 Offsetting collections (cash)	40	41	42

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	1	2	2
73.10 Total new obligations	39	40	40
73.20 Total outlays (gross)	-38	-39	-40
74.40 Unpaid obligations, end of year: Obligated balance, end of year	2	2	3

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	38	39	40
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Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-40	-41	-42

Net budget authority and outlays:

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	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	41	40	41	42
0102 Expense	-39	-38	-39	-40
0105 Net income or loss (-)	2	2	2	2

Balance Sheet (in millions of dollars)

Identification code 36-4048-0-3-703	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	13	15	17	20
Investments in US securities:				
1106 Receivables, net	2	2	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	17	20	21	24
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1			
2105 Other		1	1	1
2999 Total liabilities	1	1	1	1
NET POSITION:				
3300 Cumulative results of operations	16	17	20	23
3999 Total net position	16	17	20	23
4999 Total liabilities and net position	17	18	21	24

Object Classification (in millions of dollars)

Identification code 36-4048-0-3-703	1999 actual	2000 est.	2001 est.
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	36	37	37
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.9 Total new obligations	39	40	40

MEDICAL CENTER RESEARCH ORGANIZATIONS

Program and Financing (in millions of dollars)

Identification code 36-4026-0-3-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Operating expenses	94	96	99
09.02 Capital investments	11	11	12
10.00 Total new obligations	105	107	111
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	18	18	18
22.00 New budget authority (gross)	105	108	110
23.90 Total budgetary resources available for obligation	123	126	128
23.95 Total new obligations	-105	-107	-111
24.40 Unobligated balance available, end of year	18	18	18

New budget authority (gross), detail:

Mandatory:			
69.00 Offsetting collections (cash)	105	108	110

Change in unpaid obligations:

73.10 Total new obligations	105	107	111
73.20 Total outlays (gross)	-105	-108	-110

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	105	108	110
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Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-20	-21	-21
88.40 Non-Federal sources	-85	-87	-89
88.90 Total, offsetting collections (cash)	-105	-108	-110

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays			

These nonprofit corporations provide a flexible funding mechanism for the conduct of approved research at Depart-

Public enterprise funds—Continued

MEDICAL CENTER RESEARCH ORGANIZATIONS—Continued

ment 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	1999 actual	2000 est.	2001 est.
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	66	67	68
26.0 Supplies and materials	27	28	30
31.0 Equipment	11	11	12
99.9 Total new obligations	105	107	111

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, 2000.*)

Unavailable Collections (in millions of dollars)

Identification code 36-8180-0-7-705	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	2	2	1
Receipts:			
02.01 General post fund, national homes, deposits	30	30	30
02.02 General post fund, national homes, interest on investments	3	3	3
02.99 Total receipts	33	33	33
04.00 Total: Balances and collections	35	35	34
Appropriation:			
05.01 General post fund, national homes	-33	-34	-35
07.99 Total balance, end of year	2	1	-1

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities	28	28	29
00.02 Research activities	3	3	3
00.03 Therapeutic residence maintenance	1	1	1
10.00 Total new obligations	32	32	33
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	43	45	48
22.00 New budget authority (gross)	33	34	35
23.90 Total budgetary resources available for obligation	76	79	83
23.95 Total new obligations	-32	-32	-33
24.40 Unobligated balance available, end of year	45	48	48
New budget authority (gross), detail:			
Mandatory:			
60.27 Appropriation (trust fund, indefinite)	33	34	35
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	4	7	10

73.10 Total new obligations	32	32	33
73.20 Total outlays (gross)	-29	-29	-29
74.40 Unpaid obligations, end of year: Obligated balance, end of year	7	10	13
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	26	27	28
86.98 Outlays from mandatory balances	3	2	3
87.00 Total outlays (gross)	29	29	29
Net budget authority and outlays:			
89.00 Budget authority	33	34	35
90.00 Outlays	29	29	29
Memorandum (non-add) entries:			
92.01 Total investments, start of year: U.S. securities: Par value	45	51	46
92.02 Total investments, end of year: U.S. securities: Par value	51	46	46

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

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

Legislation will be proposed to eliminate this program which has had no utilization to date, and for which new programs have filled the need.

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	1999 actual	2000 est.	2001 est.
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	13	13	14
26.0 Supplies and materials	13	13	13
31.0 Equipment	3	3	3
32.0 Land and structures	1	1	1
99.9 Total new obligations	32	32	33

VETERANS BENEFITS ADMINISTRATION

Federal Funds

General and special funds:

【COMPENSATION AND PENSIONS】

【For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended,

and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), \$21,568,364,000, to remain available until expended: *Provided*, That not to exceed \$17,932,000 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.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Activities formerly included in this account are proposed to be financed by three separate appropriation accounts in 2001 and are presented below in the "Compensation", "Pensions", and "Burial benefits and miscellaneous assistance" accounts. Amounts for 1999, 2000, and 2001 are shown on a comparable basis. The following table shows the distribution of the amounts (dollars in millions) appropriated in 1999 and 2000 and requested in 2001.

Distribution of budget authority by account:	1999 actual	2000 est.	2001 est.
Compensation	18,663,234	18,375,028	19,567,055
Pensions	3,084,495	3,063,637	3,066,127
Burial benefits	109,329	129,699	133,094
Distribution of outlays by account:			
Compensation	17,962,565	18,957,135	19,672,390
Pensions	3,075,728	3,054,451	3,065,127
Burial benefits	109,329	129,699	133,094

COMPENSATION

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law, \$19,567,055,000, to remain available until expended, of which not to exceed \$1,266,000 shall be reimbursed to "General operating expenses" for necessary expenses, as authorized by chapter 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.)

Program and Financing (in millions of dollars)

Identification code 36-0153-0-1-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Compensation:			
Veterans:			
00.02 World War I	1	1	
00.03 World War II	3,280	3,221	3,086
00.04 Korean conflict	1,231	1,261	1,267
00.05 Vietnam era	5,912	6,398	6,793
00.06 Peacetime service	3,036	3,250	3,430
00.07 Persian Gulf conflict	1,081	1,291	1,434
00.91 Total veterans	14,541	15,422	16,010
Survivors:			
01.04 World War I	40	34	29
01.05 World War II	1,332	1,379	1,414
01.06 Korean conflict	412	424	433
01.07 Vietnam era	1,103	1,149	1,187
01.08 Peacetime service	450	453	449
01.09 Persian Gulf conflict	75	83	88
01.91 Total survivors	3,412	3,522	3,600
02.01 Clothing allowance	41	40	40
02.93 Total compensation	17,994	18,984	19,650
Children:			
03.02 Vietnam era	13	9	10
Other expenses:			
07.01 Payment to general operating expense	1	1	1
07.02 Medical exam pilot program	17	26	28
07.91 Total other expenses	18	27	29

10.00 Total new obligations (object class 42.0)	18,025	19,020	19,689
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	274	769	122
22.00 New budget authority (gross)	18,663	18,375	19,567
22.21 Unobligated balance transferred to other accounts	-143		
23.90 Total budgetary resources available for obligation	18,794	19,144	19,689
23.95 Total new obligations	-18,025	-19,020	-19,689
24.40 Unobligated balance available, end of year	769	122	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	18,663	18,375	19,567
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1,347	1,410	1,474
73.10 Total new obligations	18,025	19,020	19,689
73.20 Total outlays (gross)	-17,963	-18,957	-19,672
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1,410	1,474	1,491
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	16,616	17,547	18,198
86.98 Outlays from mandatory balances	1,347	1,410	1,474
87.00 Total outlays (gross)	17,963	18,957	19,672
Net budget authority and outlays:			
89.00 Budget authority	18,663	18,375	19,567
90.00 Outlays	17,963	18,957	19,672

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	18,663	18,375	19,567
Outlays	17,963	18,957	19,672
Legislative proposal, not subject to PAYGO:			
Budget Authority			345
Outlays			311
Legislative proposal, subject to PAYGO:			
Budget Authority		1,800	-1,795
Outlays		1,800	-1,795
Total:			
Budget Authority	18,663	20,175	18,117
Outlays	17,963	20,757	18,188

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

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

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

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

Veterans:	1999 actual	2000 est.	2001 est.
Mexican border period	8	7	6
World War I	109	70	40
World War II	558,252	522,560	485,762
Korean conflict	176,605	172,900	169,100
Vietnam era	732,590	739,113	747,305
Peacetime service	555,502	567,860	582,462
Persian Gulf conflict	262,057	288,200	300,400
Total	2,285,123	2,290,710	2,285,075
Average payment per case, per year	\$6,382	\$6,750	\$7,024
Total obligations (in millions)	\$14,541	\$15,421	\$16,010
Children of Vietnam era veterans:			
Children	844	864	864

General and special funds—Continued

COMPENSATION—Continued

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS—Continued

	1999 actual	2000 est.	2001 est.
Average payment per case, per year	\$15	\$11	\$11
Total obligations (in millions)	\$13	\$9	\$10
Chapter 18 Vocational rehabilitations:			
Rehabilitations	18	29	29
Average payment per case, per year	\$628	\$225	\$225
Total obligations (in millions) ¹	\$0	\$0	\$0
¹ Amounts round to less than \$1 million.			
Survivors:			
Prior to Spanish-American War	1	1	1
Spanish-American War	17	17	16
Mexican border period	3	1	1
World War I	3,694	3,079	2,565
World War II	116,979	115,258	113,426
Korean conflict	36,601	36,563	36,549
Vietnam era	99,117	100,497	101,895
Peacetime service	41,565	40,697	39,698
Persian Gulf conflict	5,979	6,461	6,721
Total	303,956	302,574	300,872
Average payment per case, per year	\$11,227	\$11,641	\$11,965
Total obligations (in millions)	\$3,412	\$3,522	\$3,600
Clothing allowance:			
Number of veterans	75,604	75,785	75,598
Average payment per case, per year	\$543	\$528	\$528
Total obligations (in millions)	\$41	\$40	\$40

COMPENSATION

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0153-2-1-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Compensation:			
Veterans:			
00.03 World War II			51
00.04 Korean conflict			21
00.05 Vietnam era			111
00.06 Peacetime service			57
00.07 Persian Gulf conflict			24
00.91 Total veterans			264
Survivors:			
01.04 World War I			1
01.05 World War II			31
01.06 Korean conflict			10
01.07 Vietnam era			26
01.08 Peacetime service			10
01.09 Persian Gulf conflict			2
01.91 Total survivors			80
02.01 Clothing allowance			1
02.93 Total compensation			345
10.00 Total new obligations (object class 42.0)			345
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			345
23.95 Total new obligations			-345
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			345
Change in unpaid obligations:			
73.10 Total new obligations			345
73.20 Total outlays (gross)			-311
74.40 Unpaid obligations, end of year: Obligated balance, end of year			34
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			311

Net budget authority and outlays:		
89.00	Budget authority	345
90.00	Outlays	311

Legislation will be proposed to provide a cost-of-living adjustment (COLA) to all compensation beneficiaries including spouses and children. This increase, effective December 1, 2000, is expected to be 2.5 percent and cost \$345 million in 2001.

Program and Financing (in millions of dollars)

Identification code 36-0153-4-1-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Compensation:			
Veterans:			
00.03 Benefits for Filipino veterans			5
00.04 Repeal delay of compensation benefits		1,800	-1,800
02.93 Total compensation		1,800	-1,795
10.00 Total new obligations (object class 42.0)		1,800	-1,795
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1,800	-1,795
23.95 Total new obligations		-1,800	1,795
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		1,800	-1,795
Change in unpaid obligations:			
73.10 Total new obligations		1,800	-1,795
73.20 Total outlays (gross)		-1,800	1,795
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		1,800	-1,795
Net budget authority and outlays:			
89.00 Budget authority		1,800	-1,795
90.00 Outlays		1,800	-1,795

COMPENSATION

(Legislative proposal, subject to PAYGO)

The Balanced Budget Act of 1997 requires VA to delay the issuing of October 2000 benefit payment from September 29, 2000 to October 2, 2000. Legislation will be proposed to repeal this delay.

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.

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

PENSIONS

For the payment of pension benefits to or on behalf of veterans as authorized by law, \$3,066,127,000, to remain available until expended; of which not to exceed \$16,153,000 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	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
Pensions:			
Veterans:			
04.01 Improved law	2,282	2,299	2,330
04.02 Prior law	50	43	37
04.91 Total veterans	2,332	2,342	2,367
Survivors:			
05.01 Improved law	645	623	608
05.02 Prior law	92	83	74
05.03 Old law	1	1	1
05.91 Total survivors	738	707	683
06.93 Total pensions	3,070	3,049	3,050
Other expenses:			
07.02 Reimbursement to GOE and VHA	15	14	16
08.00 Total direct program	3,085	3,063	3,066
Reimbursable program:			
09.01 Minimum income for widows program		4	4
10.00 Total new obligations	3,085	3,067	3,070
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3,085	3,067	3,070
23.95 Total new obligations	-3,085	-3,067	-3,070
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	3,085	3,063	3,066
69.00 Offsetting collections (cash)		4	4
70.00 Total new budget authority (gross)	3,085	3,067	3,070
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	278	287	297
73.10 Total new obligations	3,085	3,067	3,070
73.20 Total outlays (gross)	-3,076	-3,057	-3,065
74.40 Unpaid obligations, end of year: Obligated balance, end of year	287	297	302
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2,798	2,770	2,769
86.98 Outlays from mandatory balances	278	287	296
87.00 Total outlays (gross)	3,076	3,057	3,065
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-4	-4
Net budget authority and outlays:			
89.00 Budget authority	3,085	3,063	3,066
90.00 Outlays	3,076	3,053	3,061

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, 2001, is expected to be 2.5 percent.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	1999 actual	2000 est.	2001 est.
Veterans:			
Improved law	352,233	346,349	340,553
Prior law	30,353	25,968	22,236
Old law and service	372	318	271
Total	382,958	372,635	363,060
Average payment per case, per year (in dollars)	\$6,088	\$6,286	\$6,519
Total obligations (in millions)	\$2,332	\$2,342	\$2,367
Survivors:			
Improved law	189,921	184,550	180,094
Prior law	89,577	79,930	71,457
Old law and service	1,952	1,621	1,347
Total	281,450	266,101	252,898
Average payment per case, per year	\$2,622	\$2,657	\$2,701
Total obligations (in millions)	\$738	\$707	\$683
Minimum Income for Widows Program:			
Widows		594	562
Average benefit per case, per year		\$6,224	\$6,372
Total obligations (in millions)		\$4	\$4
Vocational training:			
Trainees	8	7	5
Average benefit per year	\$4,625	\$2,857	\$3,000
Total obligations (in millions) ¹			

¹ Amounts round to less than \$1 million.

Object Classification (in millions of dollars)

Identification code 36-0154-0-1-701	1999 actual	2000 est.	2001 est.
42.0 Direct obligations: Insurance claims and indemnities	3,085	3,063	3,066
99.0 Reimbursable obligations: Subtotal, reimbursable obligations		4	4
99.9 Total new obligations	3,085	3,067	3,070

The Administration is proposing legislation which will extend a current legal provision due to expire in 2002 which authorizes VA access to certain Internal Revenue Service data for determining eligibility for veterans pension benefits.

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, \$133,094,000, to remain available until expended. (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.)

Program and Financing (in millions of dollars)

Identification code 36-0155-0-1-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Burial benefits:			
07.01 Burial allowances	35	35	35
07.02 Burial plots	11	11	12
07.03 Service-connected deaths	13	13	13
07.04 Burial flags	12	12	13
07.05 Headstones and markers	24	34	34
07.06 Gravellers	8	9	9
07.07 Pre-placed crypts	3	13	14
07.91 Total burial benefits	106	127	130
08.04 Equal access to justice	3	3	3
10.00 Total new obligations (object class 42.0)	109	130	133
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	109	130	133

General and special funds—Continued

BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0155-0-1-701	1999 actual	2000 est.	2001 est.
23.95 Total new obligations	- 109	- 130	- 133
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	109	130	133
Change in unpaid obligations:			
73.10 Total new obligations	109	130	133
73.20 Total outlays (gross)	- 109	- 130	- 133
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	109	130	133
Net budget authority and outlays:			
89.00 Budget authority	109	130	133
90.00 Outlays	109	130	133

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

	1999 actual	2000 est.	2001 est.
Burial allowance	86,405	85,300	84,200
Burial plot	75,061	76,800	78,600
Service-connected death	9,901	9,880	9,850
Burial flags	549,018	519,400	526,200
Headstone markers	345,389	342,960	348,840
Headstone allowance	3		
Graveliners	49,738	49,583	50,362
Preplaced crypts	11,571	42,000	46,500

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

	1999 actual	2000 est.	2001 est.
Retired Officers	2	1	1
Special allowance dependents	138	138	138
Equal Access to Justice payments	716	716	716

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, **[\$1,469,000,000]** \$1,634,000,000, to remain available until expended: *Provided*, That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under section 3104(a) of title 38, United States Code, other than under subsection (a)(1), (2), (5) and

(11) of that section, shall be charged to the account: *Provided further*, 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, 2000.)

Program and Financing (in millions of dollars)

Identification code 36-0137-0-1-702	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
Education and training:			
00.01 Sons and daughters	121	126	131
00.02 Spouses	14	15	17
00.91 Total education and training	135	141	148
Special assistance to disabled veterans:			
01.01 Vocational rehabilitation	412	417	392
01.02 Housing grants	20	21	21
01.03 Automobiles, adaptive equipment, maintenance and repair	31	31	31
01.91 Total special assistance to disabled veterans	463	469	444
02.01 Work study	34	33	35
02.02 Payments to states	13	13	13
02.03 All-volunteer assistance: Veterans' basic benefits	803	806	1,025
02.04 Reporting fees		4	4
02.91 All-volunteer assistance and other	850	856	1,077
02.93 Total direct program	1,448	1,466	1,669
09.01 Veterans' basic benefits	9	7	4
09.01 Veterans' supplementary benefits	75	76	89
09.01 Reservists benefits	103	102	106
09.02 Reservist supplementary benefits	1	1	1
10.00 Total new obligations	1,636	1,652	1,869
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	165	35	35
22.00 New budget authority (gross)	1,362	1,654	1,834
22.10 Resources available from recoveries of prior year obligations		2	
22.22 Unobligated balance transferred from other accounts	143		
23.90 Total budgetary resources available for obligation	1,670	1,691	1,869
23.95 Total new obligations	- 1,636	- 1,652	- 1,869
23.98 Unobligated balance expiring or withdrawn		- 4	
24.40 Unobligated balance available, end of year	35	35	
New budget authority (gross), detail:			
Discretionary:			
40.00 Change for certain vocational rehabilitation activities			- 30
Mandatory:			
60.00 Appropriation	1,175	1,469	1,664
69.00 Offsetting collections (cash)	187	185	200
70.00 Total new budget authority (gross)	1,362	1,654	1,834
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	55	59	34
73.10 Total new obligations	1,636	1,652	1,869
73.20 Total outlays (gross)	- 1,632	- 1,675	- 1,889
73.45 Adjustments in unexpired accounts		- 2	
74.40 Unpaid obligations, end of year: Obligated balance, end of year	59	34	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			- 30
86.97 Outlays from new mandatory authority	1,270	1,582	1,850
86.98 Outlays from mandatory balances	362	94	69
87.00 Total outlays (gross)	1,632	1,675	1,889
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	- 187	- 185	- 200
Net budget authority and outlays:			
89.00 Budget authority	1,175	1,469	1,634
90.00 Outlays	1,445	1,490	1,689

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 2001 will consist of appropriated funds of \$1,634 million.

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

NUMBER OF TRAINEES AND COST			
	1999 actual	2000 est.	2001 est.
Sons and daughters:			
Number of trainees	38,700	40,300	41,900
Average cost per trainee (in dollars)	\$3,135	\$3,135	\$3,135
Total cost (in millions)	\$121	\$126	\$131
Spouses and widow(ers):			
Number of trainees	5,723	6,120	6,630
Average cost per trainee (in dollars)	\$2,526	\$2,526	\$2,526
Total cost (in millions)	\$14	\$15	\$17

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

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

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

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

CASELOAD AND AVERAGE COST DATA			
	1999 actual	2000 est.	2001 est.
Total number of trainees	52,284	51,630	50,985
Average cost per trainee	\$7,872	\$8,071	\$7,686
Total cost (in millions)	\$412	\$417	\$392
Housing grants:			
Number of housing grants	770	800	800
Average cost per grant	\$26,331	\$26,331	\$26,331
Total cost (in millions)	\$20	\$21	\$21
Automobiles or other conveyances:			
Number of conveyances	1,023	1,030	1,030
Average cost per conveyance	\$7,368	\$7,368	\$7,368
Total cost (in millions)	\$8	\$8	\$8
Adaptive equipment (including maintenance, repair and installation for automobiles):			
Number of items	8,593	8,344	8,102
Average cost	\$2,775	\$2,842	\$2,910
Total cost (in millions)	\$24	\$24	\$24

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.

	1999 actual	2000 est.	2001 est.
Number of contracts	26,543	26,500	27,400
Total cost (in millions)	\$34	\$33	\$35

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			
	1999 actual	2000 est.	2001 est.
Veterans:			
Number of trainees	288,052	279,100	309,300
Average cost per trainee	\$3,079	\$3,192	\$3,618
Total cost (in millions)	\$887	\$891	\$1,119
Reservists:			
Number of trainees	73,580	71,300	70,900
Average cost per trainee	\$1,395	\$1,415	\$1,493
Total cost (in millions)	\$103	\$101	\$106

Object Classification (in millions of dollars)			
Identification code 36-0137-0-1-702	1999 actual	2000 est.	2001 est.
41.0 Direct obligations: Grants, subsidies, and contributions	1,449	1,467	1,669
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	187	185	200
99.9 Total new obligations	1,636	1,652	1,869

REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS UNDER PUBLIC LAW 97-377

Program and Financing (in millions of dollars)			
Identification code 36-0200-0-1-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Return of overpayment	2		
01.00 Total Direct Program	2		
09.01 Reimbursables	18	16	13
09.99 Total reimbursable program	18	16	13
10.00 Total new obligations (object class 42.0)	20	16	13
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	5	2	
22.00 New budget authority (gross)	19	15	13
23.90 Total budgetary resources available for obligation	24	17	13
23.95 Total new obligations	-20	-16	-13
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance available, end of year	2		

General and special funds—Continued

REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS UNDER PUBLIC LAW 97-377—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0200-0-1-701	1999 actual	2000 est.	2001 est.	
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	19	15	13
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	2	1	
73.10	Total new obligations	20	16	13
73.20	Total outlays (gross)	-19	-16	-13
73.40	Adjustments in expired accounts (net)	-4		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	1		
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	19	15	13
86.98	Outlays from mandatory balances		1	
87.00	Total outlays (gross)	19	16	13
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-19	-15	-13
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	1	1	

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

	1999 actual	2000 est.	2001 est.
Spouses	259	225	190
Average benefit	\$11,838	\$12,844	\$13,158
Obligations (in millions)	\$3	\$3	\$2
Children	1,098	970	840
Average benefit	\$11,062	\$11,969	\$12,381
Obligations (in millions)	\$12	\$12	\$10

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, [**\$28,670,000**] **\$19,850,000**, to remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
Operating expenses:				
00.04	Payment to national service life insurance fund	6	2	1
00.05	Payment to service-disabled veterans insurance fund	34	22	12
00.06	Total operating expenses	9	9	9
10.00	Total new obligations	49	33	22
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	2	2	
22.00	New budget authority (gross)	49	31	22
23.90	Total budgetary resources available for obligation	51	33	22
23.95	Total new obligations	-49	-33	-22
24.40	Unobligated balance available, end of year	2		

New budget authority (gross), detail:

Mandatory:				
60.00	Appropriation	46	29	20
69.00	Offsetting collections (cash)	2	2	2
70.00	Total new budget authority (gross)	48	31	22

Change in unpaid obligations:

73.10	Total new obligations	49	33	22
73.20	Total outlays (gross)	-47	-31	-22

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	47	31	22
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Offsets:

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: VMLI premiums	-2	-2	-2

Net budget authority and outlays:

89.00	Budget authority	46	29	20
90.00	Outlays	47	31	20

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

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

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

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

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

The general decline in the number of policies and the amount of insurance in force is expected to continue in 2001 as indicated in the following table.

POLICIES AND INSURANCE IN FORCE

National service life insurance policies: ¹	1999 actual	2000 est.	2001 est.
Number of policies	0	0	0
Amount of insurance (dollars in millions)	0	0	0
VMLI policies:			
Number of policies	3,518	3,430	3,310
Amount of insurance (dollars in millions)	201	209	207

¹All of the National Service Life Insurance (NSLI) policies issued to veterans with service-connected disabilities were merged with the National Service Life Insurance Program.

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	1999 actual	2000 est.	2001 est.	
41.0	Grants, subsidies, and contributions	40	24	13
42.0	Insurance claims and indemnities	9	9	9
99.9	Total new obligations	49	33	22

Public enterprise funds:

SERVICE-DISABLED VETERANS INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-4012-0-3-701	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	24	34	22
03.00 Offsetting Collections	10		
04.00 Total: Balances and collections	34	34	22
Appropriation:			
05.01 Service-disabled veterans insurance fund		-12	-18
07.99 Total balance, end of year	34	22	4

Program and Financing (in millions of dollars)

Identification code 36-4012-0-3-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Capital investment	12	13	12
09.01 Death claims	41	48	47
09.01 All other	8	10	9
10.00 Total new obligations	61	71	68
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	61	71	68
23.95 Total new obligations	-61	-71	-68

New budget authority (gross), detail:

Identification code 36-4012-0-3-701	1999 actual	2000 est.	2001 est.
Mandatory:			
69.00 Offsetting collections (cash)	71	59	50
69.26 Offsetting collections (unavailable balances)		12	18
69.90 Spending authority from offsetting collections (total mandatory)	61	71	68

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	7	7	6
73.10 Total new obligations	61	71	68
73.20 Total outlays (gross)	-61	-72	-68
74.40 Unpaid obligations, end of year: Obligated balance, end of year	7	6	5

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	54	65	62
86.98 Outlays from mandatory balances	7	7	6
87.00 Total outlays (gross)	61	72	68

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from VI and I	-34	-22	-12
Non-Federal sources:			
88.40 Interest on loans	-3	-3	-4
88.40 Insurance premiums earned	-23	-24	-24
88.40 Repayments of loans	-11	-10	-10
88.90 Total, offsetting collections (cash)	-71	-59	-50

Net budget authority and outlays:

89.00 Budget authority	-10	12	18
90.00 Outlays	-11	13	18

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

Operating costs—

Death claims.—Represents payments to designated beneficiaries.

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

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

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

POLICIES AND INSURANCE IN FORCE

	1999 actual	2000 est.	2001 est.
Number of policies	154,410	151,250	147,870
Insurance in force (dollars in millions)	1,440	1,406	1,372

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 \$454 million by September 30, 2001.

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	1999 actual	2000 est.	2001 est.
33.0 Investments and loans	12	13	12
42.0 Insurance claims and indemnities	49	58	56
99.9 Total new obligations	61	71	68

VETERANS REOPENED INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-4010-0-3-701	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	476	466	452
Appropriation:			
05.01 Veterans reopened insurance fund	-10	-14	-16
07.99 Total balance, end of year	466	452	436

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Death claims	35	37	38
09.01 Dividends	24	23	22
09.01 All other	8	8	7
09.01 Capital investment: policy loans	5	5	5
10.00 Total new obligations	72	73	72
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	72	73	72
23.95 Total new obligations	-72	-73	-72

New budget authority (gross), detail:

Identification code 36-4010-0-3-701	1999 actual	2000 est.	2001 est.
Mandatory:			
69.00 Offsetting collections (cash)	62	59	56
69.26 Offsetting collections (unavailable balances)	10	14	16
69.90 Spending authority from offsetting collections (total mandatory)	72	73	72

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	41	44	46
73.10 Total new obligations	72	73	72
73.20 Total outlays (gross)	-68	-72	-72
74.40 Unpaid obligations, end of year: Obligated balance, end of year	44	46	46

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	27	59	56
86.98 Outlays from mandatory balances	41	13	16
87.00 Total outlays (gross)	68	72	72

Public enterprise funds—Continued

VETERANS REOPENED INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4010-0-3-701	1999 actual	2000 est.	2001 est.	
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: interest on U.S. securities	-40	-39	-36
Non-Federal sources:				
88.40	Interest on loans	-1	-1	-2
88.40	Insurance premiums earned	-14	-13	-12
88.40	Repayments of loans	-7	-6	-6
88.90	Total, offsetting collections (cash)	-62	-59	-56
Net budget authority and outlays:				
89.00	Budget authority	10	14	16
90.00	Outlays	7	13	16
Memorandum (non-add) entries:				
92.01	Total investments, start of year: U.S. securities: Par value	516	509	496
92.02	Total investments, end of year: U.S. securities: Par value	509	496	481

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

	1999 actual	2000 est.	2001 est.
Number of policies	82,545	77,335	71,944
Insurance in force (dollars in millions)	675	645	614

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

Object Classification (in millions of dollars)

Identification code 36-4010-0-3-701	1999 actual	2000 est.	2001 est.	
33.0	Investments and loans	5	5	5
42.0	Insurance claims and indemnities	39	41	42
43.0	Interest and dividends	28	27	25
99.9	Total new obligations	72	73	72

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
09.01	Premium payments	401	398	396
09.01	Payment to GOE account	1	1	1
10.00	Total new obligations (object class 41.0)	402	399	397
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	1	1	1
22.00	New budget authority (gross)	402	399	397
23.90	Total budgetary resources available for obligation	403	400	398
23.95	Total new obligations	-402	-399	-397
24.40	Unobligated balance available, end of year	1	1	1
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	402	399	397
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	4	4	4
73.10	Total new obligations	402	399	397
73.20	Total outlays (gross)	-402	-399	-397
74.40	Unpaid obligations, end of year: Obligated balance, end of year	4	4	4
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	400	395	393
86.98	Outlays from mandatory balances	2	4	4
87.00	Total outlays (gross)	402	399	397
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay	-402	-399	-397
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays			
Memorandum (non-add) entries:				
92.01	Total investments, start of year: U.S. securities: Par value	4	4	4
92.02	Total investments, end of year: U.S. securities: Par value	4	4	4

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

Credit accounts:

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

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year [2000] 2001, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [\$156,958,000] \$166,484,000, 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, 2000.*)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 36-1119-0-1-704	1999 actual	2000 est.	2001 est.
0101 GIF direct loans, downward reestimate of subsidies	619	730	

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loan subsidy	127	56	12
00.02 Guaranteed loan subsidy	250	324	154
00.05 Reestimates of direct loan subsidy	107	67	
00.06 Interest on reestimates of the direct loan subsidy	41	39	
00.07 Reestimates of guaranteed loan subsidy	691	658	
00.08 Interest on reestimates of the guaranteed loan subsidy	173	165	
00.11 Administrative expenses	159	157	166
10.00 Total new obligations	1,548	1,466	332
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,548	1,467	332
23.95 Total new obligations	-1,548	-1,466	-332
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation (definite)	159	157	166
Mandatory:			
60.05 Appropriation (indefinite)	1,389	1,310	166
70.00 Total new budget authority (gross)	1,548	1,467	332
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1		
73.10 Total new obligations	1,548	1,466	332
73.20 Total outlays (gross)	-1,549	-1,467	-332
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	159	157	166
86.97 Outlays from new mandatory authority	1,389	1,310	166
87.00 Total outlays (gross)	1,549	1,467	332
Net budget authority and outlays:			
89.00 Budget authority	1,548	1,467	332
90.00 Outlays	1,549	1,467	332

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

Identification code 36-1119-0-1-704	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	1,648	1,992	649
1159 Total direct loan levels	1,648	1,992	649
Direct loan subsidy (in percent):			
1320 Subsidy rate	7.71	2.79	1.82
1329 Weighted average subsidy rate	7.71	2.79	1.82
Direct loan subsidy budget authority:			
1330 Subsidy budget authority	127	56	12
1339 Total subsidy budget authority	127	56	12
Direct loan subsidy outlays:			
1340 Subsidy outlays	275	162	12
1349 Total subsidy outlays	275	162	12
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Guaranteed loan	43,091	32,116	29,535
2150 Guaranteed loan sales	970	1,988	799
2159 Total loan guarantee levels	44,061	34,104	30,334
Guaranteed loan subsidy (in percent):			
2320 Guaranteed loan subsidy rate	0.46	0.68	0.38
2320 Guaranteed loan sales subsidy rate	5.36	5.34	5.22
2329 Weighted average subsidy rate	0.57	0.95	0.51
Guaranteed loan subsidy budget authority:			
2330 Guaranteed loan budget authority	198	218	112

2330 Guaranteed loan sale budget authority	52	106	42
2339 Total subsidy budget authority	250	324	154
Guaranteed loan subsidy outlays:			
2340 Guaranteed loan subsidy outlay	556	999	112
2340 Guaranteed loan sale subsidy outlay	558	149	42
2349 Total subsidy outlays	1,114	1,148	154

Administrative expense data:

3510 Budget authority	159	157	166
3590 Outlays from new authority	159	157	166

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.

As part of a continuing effort to reduce administrative costs, in addition to restructuring and consolidations, VA is conducting a study of the property management function to determine whether it would be more cost effective to contract out this activity. The study will be complete at the end of 2000.

Object Classification (in millions of dollars)

Identification code 36-1119-0-1-704	1999 actual	2000 est.	2001 est.
25.3 Purchases of goods and services from Government accounts	159	157	166
41.0 Grants, subsidies, and contributions	1,389	1,309	166
99.9 Total new obligations	1,548	1,466	332

VETERANS HOUSING BENEFIT PROGRAM FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4127-0-3-704	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loans	1,648	1,992	649
00.02 Interest on Treasury borrowing	234	117	109
00.03 Property sales expense	1	1	2
00.04 Property management/other expense	105	1	1
00.05 Property improvement expense	1	1	1
00.07 Reimburse LSSA for loan sale premium		54	
08.02 Payment of downward reestimate to receipt account	218	80	
08.04 Payment of excess interest earned to receipt account	76	21	
10.00 Total new obligations	2,283	2,267	762
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	885	908	
22.00 New financing authority (gross)	2,307	1,359	762
22.60 Portion applied to repay debt			
23.90 Total budgetary resources available for obligation	3,192	2,267	762
23.95 Total new obligations	-2,283	-2,267	-762
24.40 Unobligated balance available, end of year	908		
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	1,944	117	109
69.00 Offsetting collections (cash)	1,599	2,376	1,000
69.10 From Federal sources: Change in receivables and unpaid, unfilled orders	1		

Credit accounts—Continued**VETERANS HOUSING BENEFIT PROGRAM FUND DIRECT LOAN
FINANCING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 36-4127-0-3-704	1999 actual	2000 est.	2001 est.
69.47 Portion applied to repay debt	-1,237	-1,134	-347
69.90 Spending authority from offsetting collections (total mandatory)	363	1,242	653
70.00 Total new financing authority (gross)	2,307	1,359	762
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	-7	-1	
72.95 Receivables from federal sources		1	1
72.99 Total unpaid obligations, start of year	-7		1
73.10 Total new obligations	2,283	2,267	762
73.20 Total financing disbursements (gross)	-2,277	-2,266	-762
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	-1		
74.95 Receivables from federal sources	1	1	1
74.99 Total unpaid obligations, end of year		1	1
87.00 Total financing disbursements (gross)	2,277	2,266	762
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources: Payments from program account	-275	-162	-12
88.00 Transfer of loan sales from LSSA		-1,883	-731
88.00 Reimbursement and prepayments from LSSA sales for trustee reserve	-54		
Non-Federal sources:			
Non-Federal sources:			
88.40 Repayments of principal	-69	-52	-55
88.40 Proceeds from sale of loans	-949		
88.40 Interest received on loans	-99	-155	-142
88.40 Fees	-27	-42	-11
88.40 Downpayment on Vendee loan/other	-19	-57	-16
88.40 Cash sale of properties	-4	-25	-33
88.40 Other revenue	-103		
88.90 Total, offsetting collections (cash)	-1,599	-2,376	-1,000
Against gross budget authority only:			
88.95 Change in receivables from program accounts	-1		
Net financing authority and financing disbursements:			
89.00 Financing authority	707	-1,017	-238
90.00 Financing disbursements	678	-110	-238

Status of Direct Loans (in millions of dollars)

Identification code 36-4127-0-3-704	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	1,648	1,992	649
1150 Total direct loan obligations	1,648	1,992	649
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,104	1,588	1,459
1231 Disbursements: Direct loan disbursements	1,648	1,992	649
Repayments:			
1251 Repayments and prepayments	-69	-52	-55
1253 Proceeds from loan asset sales to the public with recourse		-1,883	-731
Adjustments:			
1261 Capitalized interest	57		
1262 Discount on loan asset sales to the public or discounted	-979	-105	-67
Write-offs for default:			
1263 Direct loans	-73	-81	-86
1264 Other adjustments, net	-100		
1290 Outstanding, end of year	1,588	1,459	1,169

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	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	878	1,014	686	760
Investments in US securities:				
1106 Receivables, net	93			
1206 Non-Federal assets: Receivables, net	26			
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, net	874	1,588	1,459	1,168
1499 Net present value of assets related to direct loans	874	1,588	1,459	1,168
1901 Other Federal assets: Other assets	5			
1999 Total assets	1,876	2,602	2,145	1,928
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	1,870	1,944	1,588	1,758
Non-Federal liabilities:				
2201 Accounts payable	1	103	84	92
2204 Liabilities for loan guarantees	5	555	474	78
2999 Total liabilities	1,876	2,602	2,146	1,928
4999 Total liabilities and net position	1,876	2,602	2,146	1,928

**VETERANS HOUSING BENEFIT PROGRAM FUND GUARANTEED LOAN
FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 36-4129-0-3-704	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Acquisition of homes	1,348	2,120	2,429
00.02 Losses on defaulted loans	842	508	530
00.03 Interest on Treasury borrowing	4		
00.04 Reimburse DLFA for loan sales	54	1,883	731
00.05 Payment to trustee reserve	68	19	7
00.06 Reimburse Liquidating for subordination certificate	232	39	37
00.07 Loan Sale Closing Costs	27	28	24
00.09 Property sales expense	86	102	127
00.10 Property management expense	62	46	67
00.11 Property improvement expense	53	41	47
00.12 Loans acquired	239	102	102
08.02 Payment of downward reestimate to receipt account	199	416	
08.04 Payment of excess interest to receipt account	126	213	
10.00 Total new obligations	3,340	5,517	4,101
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	3,480	4,438	5,011
22.00 New financing authority (gross)	4,299	6,090	3,798
22.60 Portion applied to repay debt			
23.90 Total budgetary resources available for obligation	7,779	10,528	8,809
23.95 Total new obligations	-3,340	-5,517	-4,101
24.40 Unobligated balance available, end of year	4,438	5,011	4,709
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	57	19	7
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	4,242	6,077	3,799
68.47 Portion applied to repay debt		-6	-8
68.90 Spending authority from offsetting collections (total discretionary)	4,242	6,071	3,791
70.00 Total new financing authority (gross)	4,299	6,090	3,798

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	139	166	384
73.10	Total new obligations	3,340	5,517	4,101
73.20	Total financing disbursements (gross)	-3,313	-5,299	-4,284
74.40	Unpaid obligations, end of year: Obligated balance, end of year	166	384	201
87.00	Total financing disbursements (gross)	3,313	5,299	4,284
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
Federal sources:				
88.00	Payments from program account	-1,114	-1,148	-154
88.00	Recoveries from DLFA	-1,351	-1,716	-556
88.00	Recoveries from Liquidating acct.	-232	-39	-36
88.25	Interest on uninvested funds	-257	-247	-255
Non-Federal sources:				
Non-Federal sources:				
88.40	Funding fees	-613	-625	-577
88.40	Cash sale of properties	-491	-340	-1,460
88.40	Redemption of properties and other	-10	-19	-22
88.40	Refunds from Trust	-6	-7	-7
88.40	Reimburse for prior loan sale premiums	-166	-54	-
88.45	Loan sale proceeds	-8	-1,883	-732
88.90	Total, offsetting collections (cash)	-4,242	-6,077	-3,799
Net financing authority and financing disbursements:				
89.00	Financing authority	57	13	-1
90.00	Financing disbursements	-928	-778	485

Status of Guaranteed Loans (in millions of dollars)				
Identification code 36-4129-0-3-704	1999 actual	2000 est.	2001 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	43,091	32,116	29,535
2132	Guaranteed loan commitments for loan asset sales with recourse	970	1,988	799
2150	Total guaranteed loan commitments	44,061	34,104	30,334
2199	Guaranteed amount of guaranteed loan commitments	20,361	16,440	14,089
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	187,388	203,651	206,298
2231	Disbursements of new guaranteed loans	43,091	32,116	29,535
2232	Guarantees of loans sold to the public with recourse	970	1,988	799
2251	Repayments and prepayments	-10,586	-12,220	-13,712
Adjustments:				
2261	Terminations for default that result in loans receivable	-114	-121	-136
2262	Terminations for default that result in acquisition of property	-1,348	-2,120	-2,429
2263	Terminations for default that result in claim payments	-555	-465	-506
2264	Other adjustments, net	-15,195	-16,531	-16,636
2290	Outstanding, end of year	203,651	206,298	203,213
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	71,968	73,775	72,871
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	103	197	286
2331	Disbursements for guaranteed loan claims	114	121	136
2351	Repayments of loans receivable	-8	-15	-22
2361	Write-offs of loans receivable	-12	-17	-23
2390	Outstanding, end of year	197	286	377

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond, including modifications of guaranteed loans that resulted from commitments in any year, and from the guarantee of loans sold through the securitization pro-

grams. 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	1998 actual	1999 actual	2000 est.	2001 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	3,618	4,603	5,301	4,814
Investments in US securities:					
1106	Receivables, net	358	823		
Non-Federal assets:					
1206	Receivables, net		38	41	24
1207	Advances and prepayments	38			
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross	1,154	197	286	377
1504	Foreclosed property		966	846	776
1599	Net present value of assets related to defaulted guaranteed loans	1,154	1,163	1,132	1,153
1999	Total assets	5,168	6,627	6,474	5,991
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable	24	166	384	201
2105	Other	324	403	413	405
2204	Non-Federal liabilities: Non-federal liabilities	4,820	6,058	5,677	5,385
2999	Total liabilities	5,168	6,627	6,474	5,991
4999	Total liabilities and net position	5,168	6,627	6,474	5,991

VETERANS HOUSING BENEFIT PROGRAM FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)				
Identification code 36-4025-0-3-704	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
Capital investments:				
00.01	Acquisition of homes	200	184	175
00.02	Property improvements	17	16	16
00.03	Cash advances	-43	-32	-24
00.04	Acquisition of defaulted guaranteed loans	47	38	36
00.91	Total capital investments	221	206	203
01.00	Total capital investments	221	206	203
Operating expenses:				
01.02	Property management expense	27	23	22
01.03	Sales expense	24	21	19
01.04	Claims processed	117	102	88
01.05	Other expenses	13	12	12
01.91	Total operating expenses	181	158	141
10.00	Total new obligations (object class 33.0)	402	364	344
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	41	114	
22.00	New budget authority (gross)	938	514	440
22.40	Capital transfer to general fund	-463	-265	-96
23.90	Total budgetary resources available for obligation	516	363	344
23.95	Total new obligations	-402	-364	-344
24.40	Unobligated balance available, end of year	114		
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	154		
69.00	Offsetting collections (cash)	700	514	440
69.10	From Federal sources: Change in receivables and unpaid, unfilled orders	84		
69.90	Spending authority from offsetting collections (total mandatory)	784	514	440
70.00	Total new budget authority (gross)	938	514	440

Credit accounts—Continued

VETERANS HOUSING BENEFIT PROGRAM FUND LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4025-0-3-704	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	57	45	33
72.95 From Federal sources: Receivables and unpaid, unfilled orders		84	84
72.99 Total unpaid obligations, start of year	57	129	117
73.10 Total new obligations	402	364	344
73.20 Total outlays (gross)	-330	-376	-350
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	45	33	27
74.95 From Federal sources: Receivables and unpaid, unfilled orders	84	84	84
74.99 Total unpaid obligations, end of year	129	117	111
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	273	376	350
86.98 Outlays from mandatory balances	57		
87.00 Total outlays (gross)	330	376	350
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from direct loan financing account	-283	-276	-93
Non-Federal sources:			
Non-Federal sources:			
88.40 Loan and other repayments	-66	-53	-42
88.40 Sale of homes, cash	-101	-73	-209
88.40 Interest on loans	-59	-47	-38
88.40 Collection of claims (veteran indebtedness)	-49	-40	-33
88.40 Interest—Subordinate Certificates	-204	-38	-36
88.40 Other revenue	62	13	11
88.90 Total, offsetting collections (cash)	-700	-514	-440
Against gross budget authority only:			
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders	-84		
Net budget authority and outlays:			
89.00 Budget authority	154		
90.00 Outlays	-371	-138	-90

Status of Direct Loans (in millions of dollars)

Identification code 36-4025-0-3-704	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	327	317	289
Disbursements:			
1231 Direct loan disbursements			
1232 Purchase of loans assets from the public	10	9	9
Repayments:			
1251 Repayments and prepayments	-37	-36	-33
1253 Proceeds from loan asset sales to the public with recourse	-38		
Write-offs for default:			
1263 Direct loans	-1	-1	-1
1264 Other adjustments, net	56		
1290 Outstanding, end of year	317	289	264

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4025-0-3-704	1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	23,408	17,638	13,213
2232 Guarantees of loans sold to the public with recourse	38		
2251 Repayments and prepayments	-5,444	-4,101	-3,073
Adjustments:			
2261 Terminations for default that result in loans receivable	-47	-38	-36
2262 Terminations for default that result in acquisition of property	-200	-184	-175

2263 Terminations for default that result in claim payments	-117	-102	-88
2290 Outstanding, end of year	17,638	13,213	9,841
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	7,709	5,775	4,301
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	620	574	555
2331 Disbursements for guaranteed loan claims	103	87	75
2351 Repayments of loans receivable	-48	-40	-33
2361 Write-offs of loans receivable	-101	-66	-56
2390 Outstanding, end of year	574	555	541

Statement of Operations (in millions of dollars)

Identification code 36-4025-0-3-704	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	469	393	-6	45
0102 Expense	-552	-168	-146	-129
0105 Net income or loss (-)	-83	225	-152	-84

Balance Sheet (in millions of dollars)

Identification code 36-4025-0-3-704	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	98	160	144	130
Investments in US securities:				
1106 Investments	9	93	84	75
Non-Federal assets:				
1201 Investments in non-Federal securities, net	239	239	201	164
1206 Accounts Receivable, net	1	1		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	529	377	289	265
1499 Net present value of assets related to direct loans	529	377	289	265
1999 Total assets	876	870	718	634
LIABILITIES:				
Federal liabilities: Federal liabilities:				
2105 Other	811	731	548	408
Non-Federal liabilities:				
2201 Accounts payable	67	149	179	233
2207 Other	-2	-10	-9	-7
2999 Total liabilities	876	870	718	634
4999 Total liabilities and net position	876	870	718	634

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

MISCELLANEOUS VETERANS HOUSING LOANS PROGRAM ACCOUNT

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, [\$520,000] \$532,000, 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, 2000.)

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS
VETERANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

[For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, including the cost of modifying loans, of guaranteed loans as authorized by 38 U.S.C. chapter 37 subchapter VI, \$48,250,000, to remain available until expended: *Provided*, That no more than five loans may be guaranteed under this program prior to November 11, 2001: *Provided further*, That no more than 15 loans may be guaranteed under this program: *Provided further*, That the total principal amount of loans guaranteed under this program may not exceed \$100,000,000: *Provided further*, That not] *Not to exceed \$750,000 of the amounts appropriated by this Act for "General operating expenses" and "Medical care" may be expended for the administrative expenses to carry out the guaranteed loan program authorized by 38 U.S.C. chapter 37, subchapter VI. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)*

Program and Financing (in millions of dollars)

Identification code 36-0128-0-1-704	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy		10	6
00.09 Administrative expenses	1	1	1
10.00 Total new obligations	1	11	7
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	3	6	41
22.00 New budget authority (gross)	4	46	1
23.90 Total budgetary resources available for obligation	7	52	42
23.95 Total new obligations	-1	-11	-7
24.40 Unobligated balance available, end of year	6	41	35
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1	1	1
Mandatory:			
60.00 Appropriation	3	45	
70.00 Total new budget authority (gross)	4	46	1
Change in unpaid obligations:			
73.10 Total new obligations	1	11	7
73.20 Total outlays (gross)	-1	-11	-7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
86.97 Outlays from new mandatory authority		7	
86.98 Outlays from mandatory balances		3	6
87.00 Total outlays (gross)	1	11	7
Net budget authority and outlays:			
89.00 Budget authority	4	46	1
90.00 Outlays	1	11	7

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

Identification code 36-0128-0-1-704	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	2	2	2
1159 Total direct loan levels	2	2	2
Direct loan subsidy (in percent):			
1320 Subsidy rate	7.72	7.72	7.72
1329 Weighted average subsidy rate	7.72	7.72	7.72
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels		20	13
2159 Total loan guarantee levels		20	13
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	48.25	48.25	48.25

2329 Weighted average subsidy rate	48.25	48.25	48.25
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	3	10	6
2339 Total subsidy budget authority	3	10	6
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays		10	6
2349 Total subsidy outlays		10	6
Administrative expense data:			
3510 Budget authority	1	1	1
3590 Outlays from new authority	1	1	1

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

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

Public Law 105-368, the "Veterans Benefits Improvement Act of 1998," established a pilot project designed to expand the supply of transitional housing for homeless veterans and to guarantee up to 15 investment loans with a maximum aggregate value of \$100 million. Not more than five loans may be guaranteed in the first three years of the program. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee.

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

Object Classification (in millions of dollars)

Identification code 36-0128-0-1-704	1999 actual	2000 est.	2001 est.
25.3 Purchases of goods and services from Government accounts	1	1	1
41.0 Grants, subsidies, and contributions		10	6
99.9 Total new obligations	1	11	7

MISCELLANEOUS VETERANS HOUSING LOANS DIRECT LOAN
FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4130-0-3-704	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loans	2	2	2
00.02 Interest on Treasury borrowing	2	1	1
10.00 Total new obligations	4	3	3
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1	1	1
22.00 New financing authority (gross)	4	3	3
23.90 Total budgetary resources available for obligation	5	4	4
23.95 Total new obligations	-4	-3	-3
24.40 Unobligated balance available, end of year	1	1	1

Credit accounts—Continued

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

Program and Financing (in millions of dollars)—Continued

Identification code 36-4130-0-3-704	1999 actual	2000 est.	2001 est.
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	10	2	2
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	3	2	2
68.47 Portion applied to repay debt	-9	-1	-1
68.90 Spending authority from offsetting collections (total discretionary)	-6	1	1
70.00 Total new financing authority (gross)	4	3	3
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			-3
73.10 Total new obligations	4	3	3
73.20 Total financing disbursements (gross)	-4	-6	-3
74.40 Unpaid obligations, end of year: Obligated balance, end of year		-3	-3
87.00 Total financing disbursements (gross)	4	6	3
Offsets:			
Against gross financing authority and financing dis- bursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayment of principal	-2		
88.40 Interest received on loans	-1	-1	-1
88.40 Other revenue		-1	-1
88.90 Total, offsetting collections (cash)	-3	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority	1	1	1
90.00 Financing disbursements	1	4	1

Status of Direct Loans (in millions of dollars)

Identification code 36-4130-0-3-704	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	2	2	2
1150 Total direct loan obligations	2	2	2
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	16	17	19
1231 Disbursements: Direct loan disbursements	2	2	1
1264 Write-offs for default: Other adjustments, net	-1		
1290 Outstanding, end of year	17	19	20

Balance Sheet (in millions of dollars)

Identification code 36-4130-0-3-704	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	1	1	1	1
1206 Non-Federal assets: Receivables, net				1
Net value of assets related to post- 1991 direct loans receivable:				
1401 Direct loans receivable, gross	14	17	19	20
1499 Net present value of assets related to direct loans	14	17	19	20
1999 Total assets	15	18	20	22
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	15	18	20	22
2999 Total liabilities	15	18	20	22
4999 Total liabilities and net position	15	18	20	22

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

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

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

Program and Financing (in millions of dollars)

Identification code 36-4258-0-3-704	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year			10
22.00 New financing authority (gross)		10	7
23.90 Total budgetary resources available for obligation		10	17
24.40 Unobligated balance available, end of year		10	16
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		10	7
Offsets:			
Against gross financing authority and financing dis- bursements:			
Offsetting collections (cash) from:			
Federal Sources: Payments from Program Ac- count			
88.00		-10	-6
88.25 Interest on uninvested funds			-1
88.90 Total, offsetting collections (cash)		-10	-7
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-10	-7

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4258-0-3-704	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lend- ers			
2131 Guaranteed loan commitments exempt from limitation		20	13
2150 Total guaranteed loan commitments		20	13
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			20
2231 Disbursements of new guaranteed loans		20	13
2251 Repayments and prepayments			-2
2263 Adjustments: Terminations for default that result in claim payments			
2290 Outstanding, end of year		20	31
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		18	25

This account contains information on the Guaranteed Transitional Housing Loans for Homeless Veterans program.

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

MISCELLANEOUS VETERANS PROGRAMS LOAN FUND PROGRAM ACCOUNT

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, **[\$57,000]** \$52,000, 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 **[\$2,531,000]** \$2,726,000.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$415,000]** \$432,000, 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, 2000.*)

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]** \$3,400.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$214,000]** \$220,000, 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, 2000.*)

Program and Financing (in millions of dollars)

Identification code 36-0140-0-1-702	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.09 Administrative expenses	1	1	1
10.00 Total new obligations (object class 25.3)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1		
22.00 New budget authority (gross)	1	1	1
22.40 Capital transfer to general fund	-1		
23.90 Total budgetary resources available for obligation	1	1	1
23.95 Total new obligations	-1	-1	-1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1	1	1
Change in unpaid obligations:			
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

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

Identification code 36-0140-0-1-702	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels, vocational rehabilitation	2	3	3
1150 Direct loan levels, education loan			
1159 Total direct loan levels	2	3	3
Direct loan subsidy (in percent):			
1320 Voc. Rehab. Loan subsidy rate	2.27	2.23	1.88
1320 Education Loan subsidy rate	32.75	29.68	18.89
1329 Weighted average subsidy rate	36.05	35.02	35.02

Administrative expense data:

3510 Budget authority	1	1	1
3590 Outlays	1	1	1

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

The Vocational Rehabilitation Loan Fund provides loans of up to \$840 (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.

MISCELLANEOUS VETERANS PROGRAMS LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4259-0-3-702	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loans	2	2	2
10.00 Total new obligations	2	2	2
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	2	2	2
22.60 Portion applied to repay debt	-2	-2	-2
23.90 Total budgetary resources available for obligation			
23.95 Total new obligations	-2	-2	-2
24.40 Unobligated balance available, end of year			
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	2	2	2
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	2	2	2
68.47 Portion applied to repay debt	-2	-2	-2
70.00 Total new financing authority (gross)	2	2	2
Change in unpaid obligations:			
73.10 Total new obligations	2	2	2
73.20 Total financing disbursements (gross)	-2	-2	-2
87.00 Total financing disbursements (gross)	2	2	2
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Interest on loans	-2	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			

Status of Direct Loans (in millions of dollars)

Identification code 36-4259-0-3-702	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	2	3	3
1150 Total direct loan obligations	2	3	3

Credit accounts—Continued

MISCELLANEOUS VETERANS PROGRAMS LOAN FUND DIRECT LOAN FINANCING ACCOUNT—Continued

Status of Direct Loans (in millions of dollars)—Continued

Identification code 36-4259-0-3-702	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	1	1
1251 Repayments: Repayments and prepayments	-2	-2	-2
1264 Write-offs for default: Other adjustments, net	2	2	2
1290 Outstanding, end of year	1	1	1

Balance Sheet (in millions of dollars)

Identification code 36-4259-0-3-702	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net	-1	-1	-1	-1
1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross	1	1	1	1

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

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

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 36-8133-0-7-702	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	65	66	66
Receipts:			
02.01 Deductions from military pay	3	2	1
02.02 Contributions	3		
02.99 Total receipts	6	2	1
04.00 Total: Balances and collections	71	68	67
Appropriation:			
05.01 Post-Vietnam era veterans education account	-5	-2	-1
05.99 Subtotal appropriation	-5	-2	-1
07.99 Total balance, end of year	66	66	66

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Payment to post-Vietnam era trainees	4	4	3
00.03 Participant disenrollments	15	15	15
10.00 Total new obligations	19	19	18
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	120	106	88
22.00 New budget authority (gross)	5	2	1
23.90 Total budgetary resources available for obligation	125	108	89
23.95 Total new obligations	-19	-19	-18
24.40 Unobligated balance available, end of year	106	88	72
New budget authority (gross), detail:			
Mandatory:			
60.27 Appropriation (trust fund, indefinite)	20	17	16
60.45 Portion precluded from obligation	-15	-15	-15

62.50 Appropriation (total mandatory)	5	2	1
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	3	2	1
73.10 Total new obligations	19	19	18
73.20 Total outlays (gross)	-20	-20	-18
74.40 Unpaid obligations, end of year: Obligated balance, end of year	2	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	5	2	1
86.98 Outlays from mandatory balances	15	18	17
87.00 Total outlays (gross)	20	20	18
Net budget authority and outlays:			
89.00 Budget authority	5	2	1
90.00 Outlays	20	20	18

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)

	1999 actual	2000 est.	2001 est.
Total budget authority	5	2	1
Servicepersons	3	2	1
Transferred from Department of Defense (matching)	2		
Total participants (end of year)	231,785	209,785	189,185
Total contributors (end of year)	2,528	1,800	900
Average contribution per contributor (actual dollars)	1,011	1,011	1,011
Number of disenrollments	22,553	22,000	21,500
Total refunds	15	15	15
Total trainees	3,939	2,800	1,900
Total trainee cost	5	5	4
Average cost per trainee (actual dollars)	928	1,359	1,576
Section 901 trainees	36	40	30

Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702	1999 actual	2000 est.	2001 est.
41.0 Grants, subsidies, and contributions	4	4	3
44.0 Refunds	15	15	15
99.9 Total new obligations	19	19	18

NATIONAL SERVICE LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8132-0-7-701	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	10,675	10,572	10,369
Receipts:			
02.01 Premium and other receipts	204	189	179
02.02 Interest	936	907	879
02.03 Payments from general and special funds	6	2	1
02.99 Total receipts	1,146	1,098	1,059
04.00 Total: Balances and collections	11,821	11,670	11,428
Appropriation:			
05.01 National Service Life Insurance fund	-1,249	-1,301	-1,292
05.99 Subtotal appropriation	-1,249	-1,301	-1,292
07.99 Total balance, end of year	10,572	10,369	10,136

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct:			
Operating expenses:			
00.01	581	608	623
00.02	16	16	14
00.03	12	11	7
00.04	25	25	26
00.05	432	422	395
00.06	54	56	57
00.07	21	22	21
00.91	1,141	1,160	1,143
02.01	111	113	110
02.93	1,252	1,273	1,253
Reimbursable program:			
09.01	269	276	290
09.01	7	7	7
09.01	5	5	3
09.01	11	12	12
09.01	200	191	183
09.01	25	25	26
09.01	10	10	10
09.09	527	526	531
10.00	1,779	1,799	1,784
Budgetary resources available for obligation:			
22.00	1,780	1,798	1,784
23.95	-1,779	-1,799	-1,784
New budget authority (gross), detail:			
Mandatory:			
60.27	1,146	1,098	1,059
69.00	531	497	492
69.26	103	203	233
69.90	634	700	725
70.00	1,780	1,798	1,784
Change in unpaid obligations:			
72.40	1,343	1,390	1,432
73.10	1,779	1,799	1,784
73.20	-1,732	-1,756	-1,759
74.40	1,390	1,432	1,459
Outlays (gross), detail:			
86.97	531	497	491
86.98	1,201	1,259	1,268
87.00	1,732	1,756	1,759
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40	-127	-125	-123
88.40	-3	-3	-3
88.40	-401	-369	-366
88.90	-531	-497	-492
Net budget authority and outlays:			
89.00	1,249	1,301	1,292
90.00	1,201	1,259	1,267
Memorandum (non-add) entries:			
92.01	12,008	11,954	11,793
92.02	11,954	11,793	11,584

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 mil-

lion 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

	1999 actual	2000 est.	2001 est.
Number of policies	1,802,101	1,694,591	1,586,821
Insurance in force (dollars in millions)	17,662	16,921	16,177

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 \$12,825 million as of September 30, 2000 to \$12,609 million as of September 30, 2001. The actuarial estimate of policy obligations as of September 30, 2001, total \$12,205 million, leaving a balance of \$404 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	1999 actual	2000 est.	2001 est.
Unexpended balance, start of year:			
0100	10	9	9
0101	12,008	11,954	11,793
0199	12,018	11,962	11,801
Cash income during the year:			
Proprietary receipts:			
0220	204	189	179
Intragovernmental transactions:			
0240	936	907	879
0241	6	2	1
Offsetting collections:			
0280	531	497	492
0299	1,677	1,595	1,551
Cash outgo during year:			
0500	-1,732	-1,756	-1,759
Unexpended balance, end of year:			
0700	9	9	9
0701	11,954	11,793	11,584
0799	11,962	11,801	11,595

Object Classification (in millions of dollars)

Identification code 36-8132-0-7-701	1999 actual	2000 est.	2001 est.
Direct obligations:			
33.0	111	113	110
42.0	634	661	669
43.0	507	500	473
99.0	1,252	1,274	1,252
99.0	527	525	532
99.9	1,779	1,799	1,784

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8150-0-7-701	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99	66	61	56
Receipts:			
02.01	6	5	5
04.00	72	66	61

UNITED STATES GOVERNMENT LIFE INSURANCE FUND—Continued

Unavailable Collections (in millions of dollars)—Continued

Identification code 36-8150-0-7-701	1999 actual	2000 est.	2001 est.
Appropriation:			
05.01 United States government life insurance fund	-11	-10	-10
05.99 Subtotal appropriation	-11	-10	-10
07.99 Total balance, end of year	61	56	51

Program and Financing (in millions of dollars)

Identification code 36-8150-0-7-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Operating expenses:			
00.01 Death claims	4	3	3
00.05 Dividends	2	1	1
00.06 Interest paid on dividend credits and deposits	1	1	1
00.07 Other costs	1	1	1
09.01 Death Claims	2	3	3
09.02 Dividends	2	2	2
09.09 Reimbursable program	4	5	5
10.00 Total new obligations	12	11	11

Budgetary resources available for obligation:			
22.00 New budget authority (gross)	12	11	11
23.95 Total new obligations	-12	-11	-11

New budget authority (gross), detail:			
Mandatory:			
60.27 Appropriation (trust fund, indefinite)	6	5	5
69.00 Offsetting collections (cash)	1	1	1
69.26 Offsetting collections (unavailable balances)	5	5	5
69.90 Spending authority from offsetting collections (total mandatory)	6	6	6
70.00 Total new budget authority (gross)	12	11	11

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	19	19	18
73.10 Total new obligations	12	11	11
73.20 Total outlays (gross)	-12	-13	-13
74.40 Unpaid obligations, end of year: Obligated balance, end of year	19	18	17

Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2	1	1
86.98 Outlays from mandatory balances	10	11	11
87.00 Total outlays (gross)	12	13	13

Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Repayments of loans	-1	-1	-1

Net budget authority and outlays:			
89.00 Budget authority	11	10	10
90.00 Outlays	12	12	12

Memorandum (non-add) entries:			
92.01 Total investments, start of year: U.S. securities: Par value	86	80	74
92.02 Total investments, end of year: U.S. securities: Par value	80	74	69

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

	1999 actual	2000 est.	2001 est.
Number of policies	17,973	16,263	14,583
Insurance in force (dollars in millions)	59	53	48

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 because reserves held in the fund were adequate to meet future liabilities of the program.

Assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decrease from \$78 million as of September 30, 2000, to \$72 million as of September 30, 2001, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2001, totals \$69 million, leaving a balance of \$3 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	1999 actual	2000 est.	2001 est.
Unexpended balance, start of year:			
0101 U.S. Securities: Par value	86	80	74
0199 Total balance, start of year	85	80	74
Cash income during the year:			
Intragovernmental transactions:			
0240 Interest and profits on investments in public debt securities, USGLI, VA	6	5	5
Offsetting collections:			
0280 Offsetting collections, USGLI	1	1	1
0299 Total cash income	7	6	6
Cash outgo during year:			
0500 United States government life insurance fund	-12	-13	-13
Unexpended balance, end of year:			
0701 U.S. Securities: Par value	80	74	69
0799 Total balance, end of year	80	74	68

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	1999 actual	2000 est.	2001 est.
Direct obligations:			
42.0 Insurance claims and indemnities	4	4	4
43.0 Interest and dividends	3	2	2
99.0 Subtotal, direct obligations	7	6	6
99.0 Reimbursable obligations	5	5	5
99.9 Total new obligations	12	11	11

VETERANS SPECIAL LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8455-0-8-701	1999 actual	2000 est.	2001 est.
Balance, start of year:			
01.99 Balance, start of year	1,420	1,439	1,454
03.00 Offsetting Collections	19		
04.00 Total: Balances and collections	1,439	1,439	1,454
Appropriation:			
05.01 Veterans special life insurance fund		15	22
07.99 Total balance, end of year	1,439	1,454	1,476

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Death claims	50	57	58

09.01	Cash surrenders	5	5	5
09.01	Dividends	101	100	96
09.01	All other	41	36	30
09.01	Payment to general operating expenses account	5	5	5
09.02	Capital investment	18	20	20
10.00	Total new obligations	220	223	214
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	220	223	214
23.95	Total new obligations	-220	-223	-214
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	239	238	236
69.26	Offsetting collections (unavailable balances)		-15	-22
69.90	Spending authority from offsetting collections (total mandatory)	220	223	214
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	210	229	244
73.10	Total new obligations	220	223	214
73.20	Total outlays (gross)	-201	-207	-199
74.40	Unpaid obligations, end of year: Obligated balance, end of year	229	244	259
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	17	17	19
86.98	Outlays from mandatory balances	184	190	180
87.00	Total outlays (gross)	201	207	199
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Interest on loans	-6	-6	-7
88.40	Insurance premiums earned	-70	-68	-66
88.40	Optional settlements	-1	-1	-1
88.40	Repayments of loans	-17	-18	-19
88.45	Offsetting governmental collections from the public	-145	-145	-143
88.90	Total, offsetting collections (cash)	-239	-238	-236
Net budget authority and outlays:				
89.00	Budget authority	-19	-15	-22
90.00	Outlays	-37	-31	-37
Memorandum (non-add) entries:				
92.01	Total investments, start of year: U.S. securities: Par value	1,628	1,666	1,696
92.02	Total investments, end of year: U.S. securities: Par value	1,666	1,696	1,733

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

	1999 actual	2000 est.	2001 est.
Number of policies	233,893	228,143	222,393
Insurance in force (dollars in millions)	2,699	2,668	2,630

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

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

Object Classification (in millions of dollars)

Identification code 36-8455-0-8-701	1999 actual	2000 est.	2001 est.
33.0 Investments and loans	19	20	20
42.0 Insurance claims and indemnities	82	84	79
43.0 Interest and dividends	119	119	115
99.9 Total new obligations	220	223	214

CONSTRUCTION

Federal Funds

General and special funds:

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$4,000,000 or more or where funds for a project were made available in a previous major project appropriation, **[\$65,140,000] \$62,140,000**, to remain available until expended: *Provided*, That except for advance planning of projects (including market-based assessments of health care needs which may or may not lead to capital investments) 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 **[2000] 2001**, for each approved project, shall be obligated: (1) by the awarding of a construction documents contract by September 30, **[2000] 2001**; and (2) by the awarding of a construction contract by September 30, **[2001] 2002**: *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 **[1] 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, 2000.*)

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Replacement and modernization	30	32	27
00.02 Nursing home care	1	1	1
00.06 Other improvements	136	130	140
00.07 National cemeteries	3	21	27
00.08 Replacement or renovation of regional offices		1	3
10.00 Total new obligations	170	185	198

General and special funds—Continued

CONSTRUCTION, MAJOR PROJECTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0110-0-1-703	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	592	565	445
22.00 New budget authority (gross)	142	65	62
23.90 Total budgetary resources available for obligation	734	630	507
23.95 Total new obligations	-170	-185	-198
24.40 Unobligated balance available, end of year	565	445	309
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	142	65	62
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	378	258	259
73.10 Total new obligations	170	185	198
73.20 Total outlays (gross)	-290	-184	-142
74.40 Unpaid obligations, end of year: Obligated balance, end of year	258	259	315
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	3	3
86.93 Outlays from discretionary balances	282	181	139
87.00 Total outlays (gross)	290	184	142
Net budget authority and outlays:			
89.00 Budget authority	142	65	62
90.00 Outlays	290	184	142

Funds are requested for a seismic corrections project at Palo Alto, CA and a gravesite development project at Ft. Logan National Cemetery.

Additional funds are provided to remove asbestos from Department-owned buildings and to support advanced planning (including market based assessments of health care needs) and design activities.

Budget Authority by Program Activity

[In millions of dollars]

	1999 actual	2000 est.	2001 est.
Clinical improvements		30,500	
Ambulatory care	46,000		
Seismic corrections	73,200		26,600
Patient environment		12,700	
Other departments	42,560	29,685	37,675
Design fund offset	(1,760)	(1,245)	(2,135)
Less rescission	(13)		
Reprogramming	(17,700)	(6,500)	
Total budget authority	142,287	65,140	62,140

Object Classification (in millions of dollars)

Identification code 36-0110-0-1-703	1999 actual	2000 est.	2001 est.
11.3 Personnel compensation: Other than full-time permanent	2	2	2
25.2 Other services	42	45	43
26.0 Supplies and materials	2	2	3
31.0 Equipment	1	2	2
32.0 Land and structures	123	134	148
99.9 Total new obligations	170	185	198

Personnel Summary

Identification code 36-0110-0-1-703	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	34	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, and 8162 of title 38, United States Code, where the estimated cost of a project is less than \$4,000,000, [\$160,000,000] \$162,000,000, 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, 2000.*)

Program and Financing (in millions of dollars)

Identification code 36-0111-0-1-703	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Medical programs	159	144	132
00.06 National cemeteries	18	22	18
00.07 Staff Offices	3	5	5
00.08 Replacement or renovation of regional offices	4	5	8
10.00 Total new obligations	184	176	163
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	53	44	28
22.00 New budget authority (gross)	175	160	162
23.90 Total budgetary resources available for obligation	228	204	190
23.95 Total new obligations	-184	-176	-163
24.40 Unobligated balance available, end of year	44	28	27
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	175	160	162
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	223	231	236
73.10 Total new obligations	184	176	163
73.20 Total outlays (gross)	-176	-171	-166
74.40 Unpaid obligations, end of year: Obligated balance, end of year	231	236	233
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	46	42	42
86.93 Outlays from discretionary balances	130	129	124
87.00 Total outlays (gross)	176	171	166
Net budget authority and outlays:			
89.00 Budget authority	175	160	162
90.00 Outlays	176	171	166

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	1999 actual	2000 est.	2001 est.
11.3 Personnel compensation: Other than full-time permanent	2	2	2
25.2 Other services	19	17	14
26.0 Supplies and materials	1	1	1
32.0 Land and structures	162	156	146

99.9	Total new obligations	184	176	163
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Personnel Summary

Identification code 36-0111-0-1-703	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	45	80	80

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131-8137, [\$90,000,000] \$60,000,000, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	1999 actual	2000 est.	2001 est.
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Obligations by program activity:

00.01 Grants to States	37	143	60
10.00 Total new obligations (object class 41.0)	37	143	60

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year		53	
22.00 New budget authority (gross)	90	90	60
23.90 Total budgetary resources available for obligation	90	143	60
23.95 Total new obligations	-37	-143	-60
24.40 Unobligated balance available, end of year	53		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	90	90	60

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	155	150	229
73.10 Total new obligations	37	143	60
73.20 Total outlays (gross)	-40	-64	-85
73.40 Adjustments in expired accounts (net)	-2		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	150	229	204

Outlays (gross), detail:

86.93 Outlays from discretionary balances	40	64	85
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Net budget authority and outlays:

89.00 Budget authority	90	90	60
90.00 Outlays	40	64	85

In 2000, the Department plans to obligate \$143 million 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, \$25,000,000, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705	1999 actual	2000 est.	2001 est.
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Obligations by program activity:

00.01 Grants to States	5	34	25
10.00 Total new obligations (object class 41.0)	5	34	25

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	9	
22.00 New budget authority (gross)	10	25	25
23.90 Total budgetary resources available for obligation	14	34	25
23.95 Total new obligations	-5	-34	-25
24.40 Unobligated balance available, end of year	9		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	10	25	25

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	16	15	43
73.10 Total new obligations	5	34	25
73.20 Total outlays (gross)	-4	-8	-17
73.40 Adjustments in expired accounts (net)	-2		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	15	43	51

Outlays (gross), detail:

86.93 Outlays from discretionary balances	4	8	17
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Net budget authority and outlays:

89.00 Budget authority	10	25	25
90.00 Outlays	4	8	17

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, 2000.)

Program and Financing (in millions of dollars)

Identification code 36-4538-0-3-703	1999 actual	2000 est.	2001 est.
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Obligations by program activity:

00.01 Operating expenses: parking leases	2	2	2
09.01 Capital investment: parking construction program	16	3	6
10.00 Total new obligations	18	5	8

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year	30	14	12
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	33	17	15
23.95 Total new obligations	-18	-5	-8
24.40 Unobligated balance available, end of year	14	12	7

New budget authority (gross), detail:

Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	3	3	3

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	12	16	14
73.10 Total new obligations	18	5	8
73.20 Total outlays (gross)	-15	-7	-7
74.40 Unpaid obligations, end of year: Obligated balance, end of year	16	14	15

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	3	3	3
86.93 Outlays from discretionary balances	12	4	4
87.00 Total outlays (gross)	15	7	7

Public enterprise funds—Continued

PARKING REVOLVING FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4538-0-3-703	1999 actual	2000 est.	2001 est.
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-3	-3	-3
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	12	4	4

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

Object Classification (in millions of dollars)

Identification code 36-4538-0-3-703	1999 actual	2000 est.	2001 est.
23.2 Direct obligations: Rental payments to others	2	2	2
32.0 Reimbursable obligations: Land and structures	16	3	6
99.9 Total new obligations	18	5	8

PERSHING HALL REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4018-0-3-705	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1	1	1
23.95 Total new obligations			
24.40 Unobligated balance available, end of year	1	1	1
Net budget authority and outlays:			
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. 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.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed **[\$25,000] \$35,000** for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, **[\$912,594,000] \$1,061,854,000**: *Provided, That expenses for services and assistance authorized under 38 U.S.C. 3104(a)(1), (2), (5) and (11) that the Secretary determines are necessary to enable entitled veterans (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: Provided further, That of the funds made available under this heading, not to exceed **[\$45,600,000]***

\$53,093,000 shall be available until September 30, [2001] 2002: Provided further, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
Veterans benefits:			
00.04 Compensation and pensions	510	555	645
00.05 Education	68	65	69
00.06 Vocational rehabilitation and counseling	72	82	118
00.09 Insurance ¹	3	3	3
00.11 General administration	227	236	227
01.00 Total Direct Program	880	941	1,062
Reimbursable program:			
09.01 Administration of housing credit programs	160	157	167
09.02 Administration of other credit programs	1	1	1
09.03 Administration of insurance programs	35	37	37
09.04 Other reimbursable programs	99	120	91
09.99 Total reimbursable program	295	315	296
10.00 Total new obligations	1,175	1,256	1,358
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,177	1,256	1,358
23.95 Total new obligations	-1,175	-1,256	-1,358
23.98 Unobligated balance expiring or withdrawn	-2		

New budget authority (gross), detail:

Discretionary:			
Appropriation:			
40.00 Appropriation	856	913	1,032
40.00 Discretionary appropriation for certain vocational rehabilitation and employment activities			30
40.75 Reduction pursuant to P.L. 106-51	-2		
42.00 Transferred from other accounts	28	28	
43.00 Appropriation (total discretionary)	882	941	1,062
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	295	315	296
70.00 Total new budget authority (gross)	1,177	1,256	1,358

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	136	142	139
73.10 Total new obligations	1,175	1,256	1,358
73.20 Total outlays (gross)	-1,161	-1,261	-1,369
73.40 Adjustments in expired accounts (net)	-8		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	142	139	127

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1,034	1,118	1,231
86.93 Outlays from discretionary balances	128	142	138
87.00 Total outlays (gross)	1,161	1,261	1,369

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-295	-315	-296

Net budget authority and outlays:

89.00 Budget authority	882	941	1,062
90.00 Outlays	867	946	1,073

¹The 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. 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]

	1999 actual	2000 est.	2001 est.
Compensation:			
Rating-Related Actions ¹	520	515	510
Non Rating Actions ²	234	233	232
Pension:			
Rating-Related Actions ¹	110	109	107
Non Rating Actions ²	599	596	593

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

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

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

WORKLOAD

[In thousands]

	1999 actual	2000 est.	2001 est.
Education:			
Original claims	140	137	149
Adjustments/supplemental claims	872	851	937

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]

	1999 actual	2000 est.	2001 est.
Loan guaranty:			
Construction and valuation	334	315	290
Loan processing	1,039	821	790
Loan service and claims	265	275	290
Property management	62	64	65

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]

	1999 actual	2000 est.	2001 est.
Vocational rehabilitation and counseling:			
Evaluation and planning	50	50	49
Rehabilitation services	52	52	51
Employment services status	11	12	12
Vocational/educational counseling	12	12	12

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

WORKLOAD

[In thousands]

	1999 actual	2000 est.	2001 est.
Insurance:			
Policy service actions	1,080	1,084	1,013
Collections	3,217	3,085	2,911
Disability claims	12	11	11
Insurance awards	930	1,201	558

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	1999 actual	2000 est.	2001 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	494	543	580
11.5 Other personnel compensation	12	12	12
11.9 Total personnel compensation	506	555	592
12.1 Civilian personnel benefits	110	122	136
13.0 Benefits for former personnel	1	1	2
Travel and transportation of persons:			
21.0 Employee travel	10	15	14
21.0 Interagency motor pool payments	2	2	2
22.0 Transportation of things	2	2	2
23.1 Rental payments to GSA	69	77	79
23.2 Rental payments to others	14	7	6
23.3 Communications, utilities, and miscellaneous charges	23	37	47
24.0 Printing and reproduction	2	2	3
25.2 Other services	101	97	140
26.0 Supplies and materials	11	11	10
31.0 Equipment	29	13	29
99.0 Subtotal, direct obligations	880	941	1,062
99.0 Reimbursable obligations	295	315	296
99.9 Total new obligations	1,175	1,256	1,358

Personnel Summary

Identification code 36-0151-0-1-705	1999 actual	2000 est.	2001 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment ¹	10,510	10,907	11,317
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	3,125	3,157	2,941

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

OFFICE OF INSPECTOR GENERAL

[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, [\$43,200,000: *Provided*, That of the amount made available under this heading, not to exceed \$30,000 may be transferred to and merged with the appropriation for "General operating expenses"] \$46,464,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.10 Direct program	36	43	46
09.00 Reimbursable program	2	3	3
10.00 Total new obligations	38	46	49
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	38	46	49
23.95 Total new obligations	-38	-46	-49

OFFICE OF INSPECTOR GENERAL—Continued
[(INCLUDING TRANSFER OF FUNDS)]—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0170-0-1-705	1999 actual	2000 est.	2001 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	36	43	46
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	3	3
70.00 Total new budget authority (gross)	38	46	49
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	7	8	8
73.10 Total new obligations	38	46	49
73.20 Total outlays (gross)	-37	-46	-50
74.40 Unpaid obligations, end of year: Obligated balance, end of year	8	8	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	34	43	47
86.93 Outlays from discretionary balances	3	2	3
87.00 Total outlays (gross)	37	46	50
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-3	-3
Net budget authority and outlays:			
89.00 Budget authority	36	43	46
90.00 Outlays	35	43	47

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

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	1999 actual	2000 est.	2001 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	23	27	29
12.1 Civilian personnel benefits	5	6	7
21.0 Travel and transportation of persons	2	2	2
23.1 Rental payments to GSA	2	2	2
25.2 Other services	2	6	6
31.0 Equipment	2		
99.0 Subtotal, direct obligations	36	43	46
99.0 Reimbursable obligations	2	3	3
99.9 Total new obligations	38	46	49

Personnel Summary

Identification code 36-0170-0-1-705	1999 actual	2000 est.	2001 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	319	360	369
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	23	24	24

NATIONAL CEMETERY ADMINISTRATION
[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses for the maintenance and operation of the National Cemetery Administration, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of two passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, [\$97,256,000: *Provided*, That of the amount made available under this heading, not to exceed \$117,000 may be transferred to and merged with the appropriation for "General operating expenses" \$109,889,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.10 Direct obligations	92	97	110
10.00 Total new obligations	92	97	110
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	92	97	110
23.95 Total new obligations	-92	-97	-110
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	92	97	110
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	13	15	17
73.10 Total new obligations	92	97	110
73.20 Total outlays (gross)	-89	-94	-111
74.40 Unpaid obligations, end of year: Obligated balance, end of year	15	17	17
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	79	83	97
86.93 Outlays from discretionary balances	10	11	14
87.00 Total outlays (gross)	89	94	111
Net budget authority and outlays:			
89.00 Budget authority	92	97	110
90.00 Outlays	89	94	111

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

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

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

Object Classification (in millions of dollars)

Identification code 36-0129-0-1-705	1999 actual	2000 est.	2001 est.
Personnel compensation:			
11.1 Full-time permanent	41	44	47
11.3 Other than full-time permanent	7	8	9
11.9 Total personnel compensation	48	52	56
12.1 Civilian personnel benefits	13	14	15
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	5	6	5
25.2 Other services	9	12	19
26.0 Supplies and materials	7	7	8
31.0 Equipment	8	4	5
99.9 Total new obligations	92	97	110

Personnel Summary

Identification code 36-0129-0-1-705	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	1,357	1,406	1,453

Intragovernmental funds:

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Reimbursable program-COGS-Merchandizing	425	603	627
09.02 Reimbursable program-Other-Operations	40	48	48
09.03 Reimbursable program-COGS-Printing and Publications	6	10	10
09.04 Reimbursable program-Other	1	1	1
09.05 Reimbursable program-Equipment-Procurement Services and Distribution	5	2	2
10.00 Total new obligations	477	664	688
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	132	152	152
22.00 New budget authority (gross)	495	664	688
23.90 Total budgetary resources available for obligation	627	816	840
23.95 Total new obligations	-477	-664	-688
24.40 Unobligated balance available, end of year	152	152	152
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	573	664	688
69.10 From Federal sources: Change in receivables and unpaid, unfilled orders	-78		
69.90 Spending authority from offsetting collections (total mandatory)	495	664	688
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	-32	-23	-23
72.95 From Federal sources: Receivables and unpaid, unfilled orders	366	288	288
72.99 Total unpaid obligations, start of year	334	265	265
73.10 Total new obligations	477	664	688
73.20 Total outlays (gross)	-546	-664	-688
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	-23	-23	-23
74.95 From Federal sources: Receivables and unpaid, unfilled orders	288	288	288
74.99 Total unpaid obligations, end of year	265	265	265
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	495	664	688
86.98 Outlays from mandatory balances	51		
87.00 Total outlays (gross)	546	664	688

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-573	-664	-688
Against gross budget authority only:			
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders	78		

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-28		

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 2001, Supply Fund sales are estimated to reach \$650 million. Average inventory needed to support those sales will be \$30 million.

Operating results.—The Fund operated at a loss of \$4 million in 1999. The new total of retained earnings is \$67 million. Operating expense as related to sales was 9 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	1999 actual	2000 est.	2001 est.
Personnel compensation:			
11.1 Full-time permanent	19	22	22
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	20	23	23
12.1 Civilian personnel benefits	4	4	5
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things	1	1	2
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	3	3	3
24.0 Printing and reproduction	6	10	10
25.1 Advisory and assistance services	10	12	11
26.0 Supplies and materials	277	327	340
31.0 Equipment	152	280	290
99.9 Total new obligations	477	664	688

Personnel Summary

Identification code 36-4537-0-4-705	1999 actual	2000 est.	2001 est.
2001 Total compensable workyears: Full-time equivalent employment	357	385	385

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Reimbursable program	102	135	150
10.00 Total new obligations	102	135	150
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	7	18	18
22.00 New budget authority (gross)	113	135	150

Intragovernmental funds—Continued

FRANCHISE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4539-0-4-705	1999 actual	2000 est.	2001 est.
23.90 Total budgetary resources available for obligation	120	153	168
23.95 Total new obligations	-102	-135	-150
24.40 Unobligated balance available, end of year	18	18	18
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	113	135	150
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	26	16	16
73.10 Total new obligations	102	135	150
73.20 Total outlays (gross)	-111	-135	-150
74.40 Unpaid obligations, end of year: Obligated balance, end of year	16	16	16
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	111	135	150
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-113	-135	-150
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-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 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Operating Expenses Appropriation. VA's Franchise Fund is a revolving fund used to supply common administrative services on the basis of services supplied. Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$150 million and employ 1,034 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	1999 actual	2000 est.	2001 est.
11.1 Personnel compensation: Full-time permanent	31	41	46
12.1 Civilian personnel benefits	6	8	9
21.0 Travel and transportation of persons	1	1	1
22.0 Transportation of things		1	1
23.1 Rental payments to GSA	3	4	4
23.3 Communications, utilities, and miscellaneous charges	21	27	30
25.2 Other services	34	45	50
26.0 Supplies and materials	1	2	2
31.0 Equipment	5	6	7
99.9 Total new obligations	102	135	150

Personnel Summary

Identification code 36-4539-0-4-705	1999 actual	2000 est.	2001 est.
2001 Total compensable workyears: Full-time equivalent employment	644	679	1,034

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Offsetting receipts from the public:			
36-246800 Pharmaceutical copayments			167

36-247300 Contributions from military personnel, Veteran's Educational Assistance Act of 1984	168	186	189
36-273330 GIF direct loans, downward reestimate of subsidies	619	730	
36-310400 Medical care collections			116
General Fund Offsetting receipts from the public	787	916	472
Intragovernmental payments:			
36-246400 DOD tricare reimbursement			67
General Fund Intragovernmental payments			67

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year [2000] 2001 for ["Compensation and pensions"], "Compensation", "Pension", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year [2000] 2001 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 [2000] 2001 for ["Compensation and pensions"], "Compensation", "Pension", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year [1999] 2000.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year [2000] 2001 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"] and "Pension".

SEC. 107. Notwithstanding any other provision of law, during fiscal year [2000] 2001, 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 [2000] 2001, 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 [2000] 2001, 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. *Beginning in fiscal year 2001, 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.*

[SEC. 108. (a) IN GENERAL.—The Congress supports efforts to implement improvements in health care services for veterans in rural areas.

(b) REPORT REQUIRED.—(1) Not later than 6 months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the impact of the allocation of funds under the Veterans Equitable Resource Allocation (VERA) funding formula on the rural subregions of the health care system administered by the Veterans Health Administration.

(2) The report shall include the following:

(A) An assessment of impact of the allocation of funds under the VERA formula on—

- (i) travel times to veterans health care in rural areas;
- (ii) waiting periods for appointments for veterans health care in rural areas;
- (iii) the cost associated with additional community-based outpatient clinics;
- (iv) transportation costs; and
- (v) the unique challenges that Department of Veterans Affairs medical centers in rural, low-population subregions face in attempting to increase efficiency without large economies of scale.

(B) The recommendations of the Secretary, if any, on how rural veterans' access to health care services might be enhanced.]

[SEC. 109. The Secretary of Veterans Affairs may carry out a major medical facility project to renovate and construct facilities at the Olin E. Teague Department of Veterans Affairs Medical Center, Temple, Texas, for a joint venture Cardiovascular Institute, in an amount not to exceed \$11,500,000. In order to carry out that project, the amount of \$11,500,000 appropriated for fiscal year 1998 and programmed for the renovation of Building 9 at the Waco, Texas, Department of Veterans Affairs Medical Center is hereby made available for that project.]

[SEC. 110. Notwithstanding any other provision of this Act, none of the funds appropriated or otherwise made available in this Act for the Medical Care appropriation of the Department of Veterans Affairs may be obligated for the realignment of the health care delivery system in VISN 12 until 60 days after the Secretary of Veterans Affairs certifies that the department has: (1) consulted with veterans organizations, medical school affiliates, employee representatives, State veterans and health associations, and other interested parties with respect to the realignment plan to be implemented; and (2) made available to the Congress and the public information from the consultations regarding possible impacts on the accessibility of veterans health care services to affected veterans.]

SEC. 109. Title 38, United States Code, is amended as follows:

(a) Section 1710B(e) is amended to read:

"(e) All amounts received by the Department under this section shall be deposited in the Department of Veterans Affairs Medical Care Collections Fund."

(b) Section 1722A(c), as amended, is further amended by deleting the second sentence.

(c) Section 1729A is amended:

(1) in subsection (b) by:

(A) redesignating paragraphs (3), (4), (5), and (6) as (4), (5), (6), and (8) respectively;

(B) inserting a new paragraph (3) to read:

"(3) Section 1710B of this title.;"

(C) inserting a new paragraph (7) after paragraph (6) (as redesignated above), to read:

"(7) Section 8165(a) of this title.;" and

(D) inserting a new paragraph (9) at the end, to read:

"(9) Section 113 of Public Law 106-117, the Veterans Millennium Health Care and Benefits Act.;"

(2) in subsection (c)(1) by: (a) deleting the phrase, "Subject to the provisions of appropriation Acts, amounts"; (b) inserting in lieu thereof, "Fifty percent of the first \$700,000,000 received or collected each fiscal year under the provisions referred to in subsection (b), shall be transferred to the general fund of the Treasury. Remaining amounts"; and (c) inserting "and without further appropriation" after "limitation."

(3) deleting subsection (f).

(d)(1) Section 1729B is repealed.

(2) The table of sections at the beginning of chapter 17 is amended by striking out the item relating to section 1729B.

(e) Section 8165(a) is amended to read:

"(a)(1) Funds received by the Department under an enhanced-use lease and remaining after any deduction from those funds under subsection (b) shall be deposited in the Department of Veterans Affairs Medical Care Collections Fund.

"(2) Funds received by the Department from a disposal of leased property under section 8164 of this title and remaining after any deduction from such funds under the laws referred to in subsection (c) shall be deposited in the Department of Veterans Affairs Medical Care Collections Fund.;"

(f) Section 113(b) of the Veterans Millennium Health Care and Benefits Act, Pub. L. No. 106-117, is amended by striking "Health Services Improvement Fund established under section 1729B of title 38, United States Code, as added by section 202" and inserting in lieu thereof, "Department of Veterans Affairs Medical Care Collections Fund".

(g) Any amounts deposited in the Department of Veterans Affairs Health Services Improvement Fund or the Extended Care Fund shall be transferred to and merged with the Medical Care Collections Fund, to be available subject to the terms and conditions of such Fund. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.)

TITLE IV—GENERAL PROVISIONS

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

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

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

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

SEC. 405. No funds appropriated by this Act may be expended—
(1) pursuant to a certification of an officer or employee of the United States unless—

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

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

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

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

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

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

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

SEC. 410. Except as otherwise provided under existing law, or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within 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] 414. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

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

SEC. [416] 415. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for

indirect costs, except as published in Office of Management and Budget Circular A-21.

SEC. [417] 416. Such sums as may be necessary for fiscal year [2000] 2001 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

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

SEC. [419] 418. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [2000] 2001 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. [420] 419. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year [2000] 2001 may be used for implementing comprehensive conservation and management plans.

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

SEC. [422] 421. It is the sense of the Congress that, along with health care, housing, education, and other benefits, the presence of an honor guard at a veteran's funeral is a benefit that a veteran has earned, and, therefore, the executive branch should provide funeral honor details for the funerals of veterans when requested, in accordance with law.

SEC. [423] 422. Notwithstanding any other law, funds made available by this or any other Act or previous Acts for the George E. Brown United States/Mexico Foundation for Science may be used for the endowment of such Foundation: *Provided*, That funds from the United States Government shall be matched in equal amounts with funds from Mexico: *Provided further*, That the accounts of such Foundation shall be subject to United States Government administrative and audit requirements concerning grants and requirements concerning cost principles for nonprofit organizations[: *Provided further*, That the United States/Mexico Foundation for Science is renamed the "George E. Brown United States/Mexico Foundation for Science"].

SEC. 423. *NASA Full Cost Accounting. Title III of the National Aeronautics and Space Act of 1958, P.L. 85-568, is amended by adding the following new section at the end:*

"Section 312. (a) Appropriations for the Administration for fiscal year 2002 and thereafter shall be made in three accounts, "Human Space Flight", "Science, Aeronautics and Technology," and an account for amounts appropriated for the necessary expenses of the Office of Inspector General. Appropriations shall remain available for two fiscal years. Each account shall include the planned full costs of the Administration's related activities.

"(b) To ensure the safe, timely, and successful accomplishment of Administration missions, the Administration may transfer amounts for Federal salaries and benefits; training, travel and awards; facility and related costs; information technology services; publishing services; science, engineering, fabricating and testing services; and other administrative services among accounts, as necessary.

"(c) The Administrator, in consultation with the Director of the Office of Management and Budget, shall determine what balances from the "Mission Support" account are to be transferred to the "Human Space Flight" and "Science, Aeronautics, and Technology" accounts. Such balances shall be transferred and merged with the

"Human Space Flight" and "Science, Aeronautics, and Technology" accounts, and remain available for the period of which originally appropriated."

[SEC. 424. None of the funds made available in this Act may be used to carry out Executive Order No. 13083.]

[SEC. 425. Unless otherwise provided for in this Act, no part of any appropriation for the Department of Housing and Urban Development shall be available for any activity in excess of amounts set forth in the budget estimates submitted for the appropriations.]

[SEC. 426. Except in the case of entities that are funded solely with Federal funds or any natural persons that are funded under this Act, none of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties to lobby or litigate in respect to adjudicatory proceedings funded in this Act. A chief executive officer of any entity receiving funds under this Act shall certify that none of these funds have been used to engage in the lobbying of the Federal Government or in litigation against the United States unless authorized under existing law.]

[SEC. 427. LAW ENFORCEMENT AGENCIES NOT INCLUDED AS OWNER OR OPERATOR. Section 101(20)(D) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(20)(D)) is amended by inserting "through seizure or otherwise in connection with law enforcement activity" before "involuntary" the first place it appears.]

[SEC. 428. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.]

[SEC. 429. The comment period on the proposed rules related to section 303(d) of the Clean Water Act published at 64 Federal Register 46012 and 46058 (August 23, 1999) shall be extended from October 22, 1999, for a period of 90 additional calendar days.]

[SEC. 430. Section 4(a) of the Act of August 9, 1950 (16 U.S.C. 777c(a)), is amended in the second sentence by striking "1999" and inserting "2000".]

[SEC. 431. PROMULGATION OF STORMWATER REGULATIONS. (a) STORMWATER REGULATIONS.—The Administrator of the Environmental Protection Agency shall not promulgate the Phase II stormwater regulations until the Administrator submits to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report containing—

(1) an in-depth impact analysis on the effect the final regulations will have on urban, suburban, and rural local governments subject to the regulations, including an estimate of—

(A) the costs of complying with the six minimum control measures described in the regulations; and

(B) the costs resulting from the lowering of the construction threshold from 5 acres to 1 acre;

(2) an explanation of the rationale of the Administrator for lowering the construction site threshold from 5 acres to 1 acre, including—

(A) an explanation, in light of recent court decisions, of why a 1-acre measure is any less arbitrarily determined than a 5-acre measure; and

(B) all qualitative information used in determining an acre threshold for a construction site;

(3) documentation demonstrating that stormwater runoff is generally a problem in communities with populations of 50,000 to 100,000 (including an explanation of why the coverage of the regulation is based on a census-determined population instead of a water quality threshold); and

(4) information that supports the position of the Administrator that the Phase II stormwater program should be administered as part of the National Pollutant Discharge Elimination System under section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342).]

[(b) PHASE I REGULATIONS.—No later than 120 days after the enactment of this Act, the Environmental Protection Agency shall submit to the Environment and Public Works Committee of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report containing a detailed explanation of the impact, if any, that the Phase I program has had in improving water quality in the United States (including a description of specific

measures that have been successful and those that have been unsuccessful).

(c) FEDERAL REGISTER.—The reports described in subsections (a) and (b) shall be published in the Federal Register for public comment.

SEC. 432. PESTICIDE TOLERANCE FEES. None of the funds appropriated or otherwise made available by this Act shall be used to promulgate a final regulation to implement changes in the payment of pesticide tolerance processing fees as proposed at 64 Fed. Reg. 31040, or any similar proposals. The Environmental Protection Agency may proceed with the development of such a rule.

SEC. 433. COMMERCIAL SPACE LAUNCH INDEMNIFICATION EXTENSION. Section 70113(f) of title 49, United States Code, is amended by striking "December 31, 1999", and inserting "December 31, 2000".

SEC. 434. SPACE STATION COMMERCIAL DEVELOPMENT DEMONSTRATION PROGRAM. (a) PURPOSE.—The purpose of this section is to establish a demonstration regarding the commercial feasibility and economic viability of private sector business operations involving the International Space Station and its related infrastructure. The goal will be furthered by the early use of the International Space Station by United States commercial entities committing private capital to commercial enterprises on the International Space Station. In conjunction with this demonstration program, the National Aeronautics and Space Administration (NASA) shall establish and publish a price policy designed to eliminate price uncertainty for those planning to utilize the International Space Station and its related facilities for United States commercial use.

(b) USE OF RECEIPTS FOR COMMERCIAL USE.—Any receipts collected by NASA from the commercial use of the International Space Station shall first be used to offset any costs incurred by NASA in support of the United States commercial use of the International Space Station. Any receipts collected in excess of the costs identified pursuant to the prior sentence may be retained by NASA for use without fiscal year limitation in promoting the commercial use of the International Space Station.]

[(c) REPORT.—NASA shall submit an annual report to the Congress that identifies all receipts that are collected under this section, the use of the receipts and the status of the demonstration. NASA shall submit a final report on the status of the demonstration, including any recommendation for expansion, within 120 days of the completion of the assembly of the International Space Station or the end of fiscal year 2004, whichever is earlier.]

[(d) DEFINITIONS.—As used in this section, the term "United States commercial use" means private commercial projects that are designed to benefit the United States through the sales of goods or services or the creation of jobs, or both.]

[(e) TERMINATION.—The demonstration program established under this section shall apply to United States commercial use agreements that are entered into prior to the date of the completion of the International Space Station or the end of the fiscal year 2004, whichever is earlier.]

[SEC. 435. INSURANCE; INDEMNIFICATION; LIABILITY. (A) AMENDMENT.—The National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) is amended by inserting after section 308 the following new section:]

["EXPERIMENTAL AEROSPACE VEHICLE"]

["(a) IN GENERAL.—The Administrator may provide liability insurance for, or indemnification to, the developer of an experimental aerospace vehicle developed or used in execution of an agreement between the Administration and the developer.]

["(b) TERMS AND CONDITIONS.—

["(1) IN GENERAL.—Except as otherwise provided in this section, the insurance and indemnification provided by the Administration under subsection (a) to a developer shall be provided on the same terms and conditions as insurance and indemnification is provided by the Administration under section 308 of this Act to the user of a space vehicle.]

["(2) INSURANCE.—

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

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

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

["(B) MAXIMUM REQUIRED.—The Administrator shall determine the amount of insurance required, but, except as provided

["EXPERIMENTAL AEROSPACE VEHICLE"]—Continued

in subparagraph (C), that amount shall not be greater than the amount required under section 70112(a)(3) of title 49, United States Code, for a launch. The Administrator shall publish notice of the Administrator's determination and the applicable amount or amounts in the Federal Register within 10 days after making the determination.]

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

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

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

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

“(c) CROSS-WAIVERS.—]

["(1) ADMINISTRATOR AUTHORIZED TO WAIVE.—The Administrator, on behalf of the United States, and its departments, agencies, and related entities, may reciprocally waive claims with a developer or cooperating party and with the related entities of that developer or cooperating party under which each party to the waiver agrees to be responsible, and agrees to ensure that its own related entities are responsible, for damage or loss to its property for which it is responsible, or for losses resulting from any injury or death sustained by its own employees or agents, as a result of activities connected to the agreement or use of the experimental aerospace vehicle.]

["(2) LIMITATIONS.—

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

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

["(C) INDEMNIFICATION FOR DAMAGES.—A reciprocal waiver under paragraph (1) may not be used as the basis of a claim by the Administration, or the developer or cooperating party,

for indemnification against the other for damages paid to a natural person, or that natural person's estate, survivors, or subrogees, for injury or death sustained by that natural person as a result of activities connected to the agreement or use of the experimental aerospace vehicle.]"

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

["(d) DEFINITIONS.—In this section:

“(1) COOPERATING PARTY.—The term ‘cooperating party’ means any person who enters into an agreement with the Administration for the performance of cooperative scientific, aeronautical, or space activities to carry out the purposes of this Act.

“(2) DEVELOPER.—The term ‘developer’ means a United States person (other than a natural person) who—]

“(A) is a party to an agreement with the Administration for the purpose of developing new technology for an experimental aerospace vehicle;

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

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

["(3) EXPERIMENTAL AEROSPACE VEHICLE.—The term ‘experimental aerospace vehicle’ means an object intended to be flown in, or launched into, orbital or suborbital flight for the purpose of demonstrating technologies necessary for a reusable launch vehicle, developed under an agreement between the Administration and a developer.]"

["(4) RELATED ENTITY.—The term ‘related entity’ includes a contractor or subcontractor at any tier, a supplier, a grantee, and an investigator or detailee.]"

["(e) RELATIONSHIP TO OTHER LAWS.—

“(1) SECTION 308.—This section does not apply to any object, transaction, or operation to which section 308 of this Act applies.

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

(b) REPEAL.—Section 431 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105-276) is repealed. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000.*)

["SEC. 242. (a) The seventh paragraph under the heading “Community Development Block Grants” in title II of H.R. 2684 (Public Law 106-74) is amended by striking the figure making individual grants for targeted economic investments and inserting “\$250,175,000” in lieu thereof.]"

["(b) The statement of the managers of the committee of conference accompanying H.R. 2684 (Public Law 106-74; House Report No. 106-379) is deemed to be amended under the heading “Community Development Block Grants” to include in the description of targeted economic development initiatives the following:

“—\$500,000 to Saint John's County, Florida for water, wastewater, and sewer system improvements;

“—\$1,000,000 to the City of San Dimas, California for structural improvements, earthquake reinforcement, and compliance with the Americans with Disabilities Act, to the Walker House;

“—\$2,000,000 to the City of Youngstown in Youngstown, Ohio for site acquisition, planning, architectural design, and preliminary construction activities of a convocation/community center;

“—\$875,000 to Chippewa County, Wisconsin for development of the Lake Wissota Business Park;

“—\$1,500,000 to Lake Marion Regional Water Agency in South Carolina, for continued development of water supply needs;

“—\$650,000 to Santa Fe County, New Mexico, for the Santa Fe Regional Water Management and River Restoration Strategy (including activities of partner governments and agencies);

“—\$650,000 to the Dunbar Community Center in Springfield, Massachusetts to expand its facilities.”] (*Miscellaneous Appropriations, 2000 as enacted by section 1000(a)(5) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)