

DEPARTMENT OF VETERANS AFFAIRS

The 2006 budget provides \$30,852 million in discretionary funding for veterans health, benefits, and other services, including \$33,440 million in gross discretionary budget authority and \$2,588 million in anticipated medical collections. For medical care, VA is submitting its 2006 budget request using the three-appropriation account structure enacted in P.L. 108-447, the Consolidated Appropriations Act, 2005, with a few modifications. The medical care research support funding will be realigned from each of the three medical care appropriations to the Medical and Prosthetic Research appropriation. The benefit programs are separated into seven business lines—disability compensation, pension, education, housing, vocational rehabilitation and employment, insurance, and burial. The Construction, Major, Construction, Minor, and Grants for Construction of State Veterans Cemeteries, the Grants for Construction of State Extended Care appropriations will be realigned under the corresponding appropriations. This modified budget account structure will better position VA to more readily determine the full cost of each of our programs. This will allow the Department to more effectively evaluate the program results we achieve with the total resources associated with each program.

Provided further, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs] 2007: *Provided further*, That [for] the DOD VA Health Care Sharing Incentive Fund, as authorized by section 721 of Public Law 107-314, [a minimum of] shall transfer not less than \$15,000,000, to remain available until expended, for [any purpose] the purposes authorized by 38 U.S.C. 8111. *In addition, such sums as may be deposited to the Medical Care Collections Fund pursuant to 38 U.S.C. 1729A (except any sums in Enrollment Fee, and the Pharmaceutical Copayments, Increase from PL 7/8 sub-accounts of such Fund) may be transferred to "Medical services", 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, 2005.)*

[For an additional amount for "Medical services" for expenses related to recent natural disasters in the Southeast, \$38,283,000, to remain available until September 30, 2005: *Provided*, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] *(Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)*

MEDICAL PROGRAMS

Federal Funds

General and special funds:

MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described in paragraphs (1) through (8) of section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the [department] *Department*, and including medical supplies and equipment and salaries and expenses of health-care employees hired under title 38, United States Code, and aid to State homes as authorized by section 1741 of title 38, United States Code; **[\$19,472,777,000] \$19,789,141,000**, plus reimbursements: *Provided*, That of the funds made available under this heading, not to exceed \$1,100,000,000 shall be available until September 30, [2006: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for treatment for veterans who are service-connected disabled, lower income, or have special needs: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: *Provided further*, That of the funds made available under this heading, the Secretary may transfer up to \$400,000,000, to remain available until expended, to "Construction, major projects" for purposes of implementing CARES subject to a determination by the Secretary that such funds will improve access and quality of veteran's health care needs: *Provided further*, That, during the fiscal year ending September 30, 2005, the Secretary may transfer not more than \$125,000,000 of the unobligated balances in this account and amounts made available under this heading to "General operating expenses" for costs associated with processing claims where the basis of the entitlement is claimed disability incurred as a result of a veteran's service, subject to a determination by the Secretary of Veterans Affairs that such additional funds are necessary: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary:

Unavailable Receipts (in millions of dollars)

Identification code 36-0160-0-1-703	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	115	153	137
Receipts:			
02.20 First party collections, MCCF	114	131	166
02.21 Third party collections, MCCF	960	1,018	1,175
02.23 Enhanced-use lease proceeds, veterans health services improvement		29	1
02.25 Compensated work therapy, MCCF		41	44
02.26 MCCF, Long-term care copayments		7	1
02.27 Parking fees, MCCF		4	4
02.28 Pharmaceutical copayments, MCCF	623	722	773
02.29 Enrollment fee, MCCF—Legislative proposal, subject to PAYGO			248
02.30 Pharmaceutical copayments, increase from PL 7/8—Legislative proposal subject to PAYGO			176
02.40 Payments from compensation and pension, MCCF		1	1
02.99 Total receipts and collections	1,697	1,953	2,589
04.00 Total: Balances and collections	1,812	2,106	2,726
Appropriations:			
05.00 Medical care	-1,659	-1,969	-2,164
05.01 Enrollment fee, MCCF—Legislative proposal, not subject to PAYGO			-248
05.02 Pharmaceutical copayments, increase from PL 7/8—Legislative proposal not subject to PAYGO			-176
05.99 Total appropriations	-1,659	-1,969	-2,588
07.99 Balance, end of year	153	137	138

Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Acute hospital care	4,791	5,323	5,155
00.02 Rehabilitative care	297	301	303
00.03 Psychiatric care	727	765	1,000
00.04 Nursing home care	1,776	1,761	1,414
00.05 Subacute care	133	117	96
00.06 Residential care	160	188	208
00.07 Outpatient care	11,229	11,878	12,418
00.08 Miscellaneous benefits and services	510	539	564
00.09 CHAMPVA	437	515	627
00.91 Total operating expenses	20,055	21,387	21,785
01.01 Acute hospital care	127	111	129
01.02 Rehabilitative care	15	14	15

General and special funds—Continued

MEDICAL SERVICES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	2004 actual	2005 est.	2006 est.
01.03 Psychiatric care	45	41	46
01.04 Nursing home care	56	50	46
01.05 Subacute care	10	9	15
01.06 Residential care	15	14	10
01.07 Outpatient care	212	190	227
01.08 Miscellaneous benefits and services	25	23	26
01.91 Total capital investment	505	452	514
02.93 Total direct program	20,560	21,839	22,299
09.01 Reimbursable program	282	172	179
10.00 Total new obligations	20,842	22,011	22,478
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	820	619	369
22.00 New budget authority (gross)	20,394	21,788	22,132
22.10 Resources available from recoveries of prior year obligations	270		
22.21 Unobligated balance transferred to other accounts	-1	-27	
23.90 Total budgetary resources available for obligation	21,483	22,380	22,501
23.95 Total new obligations	-20,842	-22,011	-22,478
23.98 Unobligated balance expiring or withdrawn	-22		
24.40 Unobligated balance carried forward, end of year	619	369	23
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17,309	19,272	19,789
40.20 Appropriation (special fund)	1,659	1,969	2,164
40.35 Appropriation permanently reduced (P.L. 108-199)	-104		
40.35 Appropriation permanently reduced (P.L. 108-447)		-154	
40.35 Appropriation permanently reduced (P.L. 108-447)		-16	
41.00 Transferred to other accounts	-415	-140	
42.00 Transferred from other accounts	1,663	685	
43.00 Appropriation (total discretionary)	20,112	21,616	21,953
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	227	172	179
68.10 Change in uncollected customer payments from Federal sources (unexpired)	14		
68.90 Spending authority from offsetting collections (total discretionary)	241	172	179
Mandatory:			
69.00 Offsetting collections (cash)	41		
70.00 Total new budget authority (gross)	20,394	21,788	22,132
Change in obligated balances:			
72.40 Obligated balance, start of year	3,448	2,145	3,569
73.10 Total new obligations	20,842	22,011	22,478
73.20 Total outlays (gross)	-21,872	-20,587	-21,825
73.40 Adjustments in expired accounts (net)	-3		
73.45 Recoveries of prior year obligations	-270		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-14		
74.10 Change in uncollected customer payments from Federal sources (expired)	14		
74.40 Obligated balance, end of year	2,145	3,569	4,222
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	18,112	18,537	18,770
86.93 Outlays from discretionary balances	3,720	2,050	3,055
86.97 Outlays from new mandatory authority	40		
87.00 Total outlays (gross)	21,872	20,587	21,825
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-123	-91	-95
88.40 Non-Federal sources	-159	-81	-84
88.90 Total, offsetting collections (cash)	-282	-172	-179

Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-14	
88.96	Portion of offsetting collections (cash) credited to expired accounts	14	

Net budget authority and outlays:

89.00	Budget authority	20,112	21,616	21,953
90.00	Outlays	21,590	20,415	21,646

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2004 actual	2005 est.	2006 est.
Budget Authority	20,112	21,616	21,953
Outlays	21,590	20,415	21,646
Legislative proposal, not subject to PAYGO:			
Budget Authority			424
Outlays			199
Total:			
Budget Authority	20,112	21,616	22,377
Outlays	21,590	20,415	21,845

For 2006, the budget requests total resources for the VA Medical Services appropriation of \$22.4 billion, an increase of \$659 million (\$25 million in appropriation and \$635 million in collections) over the 2005 level. This includes \$19.8 billion in appropriated budget authority and \$2.6 billion to be collected in the Medical Care Collections Fund.

The budget request also includes a comprehensive set of legislative and regulatory proposals that will continue to concentrate VA's health care resources to meet the needs of our highest priority core veterans—those with service-connected conditions, those with lower incomes, and veterans with special health care needs. These proposals are discussed in the Medical Services legislative proposal section.

Medical Services.—Provides for a comprehensive, integrated health care delivery system that addresses the needs of eligible veterans and beneficiaries (except non-service-connected veterans and veterans exceeding the income threshold) in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the Civilian Health and Medical Programs for the Department of Veterans Affairs (CHAMPVA).

Medical Care Collections Fund (MCCF).—VA estimates collections of more than \$2.6 billion, representing 8-percent of available resources. VA has the authority to collect inpatient and outpatient co-payments, medication co-payments, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for nonservice-connected conditions; and authority to collect revenue from enhanced use leases. Public Law 108-199, the Consolidated Appropriations Act, 2004, also requires revenue from the following accounts to be deposited into the MCCF beginning in FY 2004.

(1) Long-Term Care Co-payments (formerly Veterans Extended Revolving Fund).—Long-term co-payments of \$97 a day are collected from non-service connected veterans receiving extended care services such as geriatric evaluation; nursing home care; domiciliary services; adult day health care; other noninstitutional alternatives to nursing home care; and respite care.

(2) Compensated Work Therapy Program (formerly Special Therapeutic and Rehabilitation Activities Fund).—These funds are derived from actual work performed by patients and members in VA health care facilities under contracts developed with private industry, non-profit organizations, and state and federal entities and are used to support the program. This program provides a transition-working environment for veterans living in community assisted living

arrangements under VA psychiatric care to help them become self-sufficient.

(3) *Compensation and Pension Living Expenses Program (formerly Medical Facilities Revolving Fund).*—Veterans who do not have either a spouse or child may have their monthly pension payments reduced to \$90. The difference between the veteran's regular monthly pension payment and the \$90 is transferred from the Compensation and Pension account to the Compensation and Pension Living Expenses Program.

(4) *Parking Program (formerly Parking Revolving Fund).*—VA collects parking fees for the use of parking facilities at VA facilities.

WORKLOAD

Provision of Veterans Health Care—

Acute hospital care.—Costs for 2006 are estimated to decrease by \$150 million for operating medical, neurological, surgical, contract and State home hospital beds.

Estimated operating levels are:

	2004 actual	2005 est.	2006 est.
Patients treated	496,150	508,631	521,966
Average daily census	8,591	8,610	8,660
Average employment	35,619	35,836	35,323

Rehabilitative care.—An increase of \$3 million in 2006 is estimated for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	2004 actual	2005 est.	2006 est.
Patients treated	15,280	15,491	15,588
Average daily census	1,215	1,210	1,210
Average employment	3,259	3,422	3,593

Psychiatric care.—An increase of \$240 million is estimated in 2006 for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

	2004 actual	2005 est.	2006 est.
Patients treated	110,925	110,925	130,634
Average daily census	4,519	4,519	5,332
Average employment	7,881	7,881	8,508

Nursing home care.—In 2006, a decrease of \$351 million is estimated for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	2004 actual	2005 est.	2006 est.
Patients treated	93,271	89,961	61,110
Average daily census	33,984	34,302	21,189
Average employment	14,499	14,499	11,200

Noninstitutional extended care.—Included in outpatient estimates in 2006 is an increase of \$61 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:

	2004 actual	2005 est.	2006 est.
Average daily census	25,523	30,118	35,540

Subacute care.—A decrease of \$15 million is estimated in 2006 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:

	2004 actual	2005 est.	2006 est.
Patients treated	14,676	13,942	13,384
Average daily census	488	463	445
Average employment	1,518	1,245	1,021

Residential care.—An increase of \$16 million is estimated in 2006 for the care of veterans in locations other than their own homes, such as domiciliary care programs.

Estimated operating levels are:

	2004 actual	2005 est.	2006 est.
Patients treated	30,217	29,701	29,081

Average daily census	11,083	11,142	11,075
Average employment	1,558	1,589	1,621

Outpatient care.—An increase of \$523 million is estimated in 2006 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

	2004 actual	2005 est.	2006 est.
Medical visits (in thousands):			
Staff visits	49,966	52,817	55,857
Fee visits	3,779	4,170	4,623
Readjustment counseling	1,031	1,050	1,075
Total	54,776	58,037	61,555
Dental:			
Staff:			
Examinations	530,293	550,000	570,000
Treatments	158,214	165,000	172,000
Total	688,507	715,000	742,000
Fee: Cases completed	22,589	29,000	36,000
Average employment	61,901	65,275	65,809

Miscellaneous benefits and services.—An increase of \$28 million is estimated in 2006 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.

	2004 actual	2005 est.	2006 est.
Average employment	2,797	2,797	2,797

Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).—An increase of \$112 million is estimated in 2006 for private hospital and outpatient care for dependents and survivors of certain veterans.

Estimated operating levels are:

	2004 actual	2005 est.	2006 est.
Average daily hospital census	210	228	249
Outpatient (in thousands)	4,503	5,554	6,659

PERFORMANCE MEASURES

Provide High Quality Health Care.—Use of clinical practice guidelines in treating patients results in improved health of veterans and reduced use of services. The prevention index spotlights and summarizes a variety of evidenced based measures for high quality preventive health care. VHA's strategy to monitor satisfaction through patient surveys will identify areas of improvement in all medical services.

	2004 actual	2005 est.	2006 est.
Clinical Practice Guidelines Index	77%	77%	77%
Prevention Index II	88%	88%	88%
Percent of patients rating VA health care service as very good or excellent:			
Inpatient	74%	74%	74%
Outpatient	72%	73%	73%

Access to Medical Care.—VA's strategy is to improve access and timeliness of service by reducing waiting times in specialty and primary care clinics in medical centers nationwide, and by relying more extensively on non-institutional forms of long-term care.

	2004 actual	2005 est.	2006 est.
Percentage of primary care appointments scheduled within 30 days of desired date	94%	94%	94%
Percentage of specialty care appointments scheduled within 30 days of desired date	93%	93%	93%

General and special funds—Continued

MEDICAL SERVICES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

	2004 actual	2005 est.	2006 est.
Increase non-institutional long-term care as expressed by average daily census	25,523	30,118	35,540

VA DoD Sharing.—VA’s strategy is to improve collaboration and exchange with DoD.

	2004 actual	2005 est.	2006 est.
Documented increases in the use of joint procurement contracts	NA	NA	\$150M
Develop implementation guides for consolidated health informatics standards adopted by VA and DoD	NA	NA	2 of 9 standards

Revenue Cycle Improvement.—VHA is seeking to improve its performance in the area of medical care collections. The revenue cycle improvement plan includes initiatives that will improve efficiency and accuracy.

	2004 actual	2005 est.	2006 est.
Ratio of collections to billings	41%	41%	41%

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	7,155	7,740	7,652
11.3 Other than full-time permanent	163	127	125
11.5 Other personnel compensation	813	883	872
11.9 Total personnel compensation	8,131	8,750	8,649
12.1 Civilian personnel benefits	2,158	2,241	2,215
13.0 Benefits for former personnel		5	5
21.0 Employee travel	21	22	24
21.0 Beneficiary travel	170	170	167
21.0 Interagency motor pool payments	1	19	22
21.0 All other	39	22	20
22.0 Transportation of things	12	13	13
23.2 Rental payments to others	5		
23.3 Communications, utilities, and miscellaneous charges	110	112	113
24.0 Printing and reproduction	1	1	1
25.2 Other contractual services	1,696	1,631	1,587
25.6 Outpatient dental fees	25	34	43
25.6 Medical and nursing fees	710	738	751
25.6 Community nursing homes	277	314	312
25.6 Contract hospitalization	494	499	545
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)	437	515	627
26.0 Medical supplies and materials	5,302	5,809	6,436
31.0 Equipment	499	449	502
32.0 Medical land and structures	6	2	3
41.0 Medical grants, subsidies, and contributions	439	493	264
41.0 Medical grants to private organizations	27		
99.0 Direct obligations	20,560	21,839	22,299
99.0 Reimbursable obligations	282	172	179
99.9 Total new obligations	20,842	22,011	22,478

Personnel Summary

Identification code 36-0160-0-1-703	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	127,313	130,753	125,497
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	1,719	1,791	1,865

MEDICAL SERVICES

(Legislative proposal, not subject to PAYGO)

Such sums as may be deposited to the Enrollment Fee, and the Pharmaceutical Copayments, Increase from PL 7/8 subaccounts of the Medical Care Collections Fund may be transferred to “Medical Services,” to remain available until expended for the purposes of this account.

Program and Financing (in millions of dollars)

Identification code 36-0160-2-1-703	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Health care for veterans			424
10.00 Total new obligations			424
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			424
23.95 Total new obligations			—424
New budget authority (gross), detail:			
Discretionary:			
40.20 Enrollment fee, MCCF—Legislative proposal not subject to PAYGO			248
40.20 Pharmaceutical copayments, increase from PL 7/8—Legislative proposal not subject to PAYGO			176
43.00 Appropriation (total discretionary)			424
Change in obligated balances:			
72.40 Obligated balance, start of year			
73.10 Total new obligations			424
73.20 Total outlays (gross)			—199
74.40 Obligated balance, end of year			225
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			199
Net budget authority and outlays:			
89.00 Budget authority			424
90.00 Outlays			199

Legislation will be proposed to allow the Department of Veterans Affairs to collect two user fees from priority level 7 and 8 (PL7/8) veterans. The agency will be able to use the fees to the extent provided in appropriations acts.

The first user fee proposal will establish an annual enrollment fee of \$250, and the second will increase pharmacy copayments from \$7 to \$15 for a 30 day supply of drugs. Both of these user fees will be charged to PL 7/8 veterans only. These proposals will continue to concentrate VA’s health care resources to meet the needs of our highest priority core veterans—those with service-connected conditions, lower incomes, and special health care needs.

The Administration proposes to offset these fees against discretionary beginning in 2007. Discretionary totals in those years will be reduced by these fees.

Object Classification (in millions of dollars)

Identification code 36-0160-2-1-703	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent			154
11.3 Other than full-time permanent			3
11.5 Other personnel compensation			18
11.9 Total personnel compensation			175
12.1 Civilian personnel benefits			45
21.0 Beneficiary travel			3
23.3 Communications, utilities, and miscellaneous charges			2
25.2 Other contractual services			32
25.6 Medical and nursing fees			15
25.6 Community nursing homes			6
25.6 Contract hospitalization			10
26.0 Medical supplies and materials			127
31.0 Equipment			9
99.9 Total new obligations			424

Personnel Summary

Identification code 36-0160-2-1-703	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			2,510

DOD-VA HEALTH CARE SHARING INCENTIVE FUND
(INCLUDING TRANSFER OF FUNDS)

Program and Financing (in millions of dollars)

Identification code 36-0165-0-1-703	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity		17	30
10.00 Total new obligations		17	30
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		30	43
22.00 New budget authority (gross)	30	30	
23.90 Total budgetary resources available for obligation	30	60	43
23.95 Total new obligations		-17	-30
24.40 Unobligated balance carried forward, end of year	30	43	13
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	30	30	
43.00 Appropriation (total discretionary)	30	30	
Change in obligated balances:			
72.40 Obligated balance, start of year			1
73.10 Total new obligations		17	30
73.20 Total outlays (gross)		-16	-15
74.40 Obligated balance, end of year		1	16
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		16	15
Net budget authority and outlays:			
89.00 Budget authority	30	30	
90.00 Outlays		16	15

Object Classification (in millions of dollars)

Identification code 36-0165-0-1-703	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent		4	6
25.1 Advisory and assistance services		8	13
26.0 Supplies and materials		1	3
31.0 Equipment		3	6
32.0 Land and structures		1	2
99.9 Total new obligations		17	30

Personnel Summary

Identification code 36-0165-0-1-703	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment		50	75

The purpose of the fund is to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives at the facility, intra-regional and nationwide levels. The Departments have established the fund and developed processes and criteria to solicit and select projects. Section 721 of the FY 2003 National Defense Authorization Act, Public Law 107-314, established the fund and requires VA and Department of Defense (DoD) to establish a joint incentive program. Each Secretary shall annually contribute a minimum of \$15 million to the fund.

MEDICAL ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

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; information technology hardware and soft-

ware; uniforms or allowances therefor, as authorized by sections 5901-5902 of title 5, United States Code; administrative and legal expenses of the department for collecting and recovering amounts owed the department as authorized under chapter 17 of title 38, United States Code, Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); and such sums as necessary to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); **[\$4,705,000,000] \$4,439,124,000, of which \$250,000,000 shall be available until September 30, 2007, plus reimbursements.**

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; information technology hardware and software; uniforms or allowances therefor, as authorized by sections 5901-5902 of title 5, United States Code; and administrative and legal expenses of the department for collecting and recovering amounts owed the department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); \$4,705,000,000, of which \$250,000,000 shall be available until September 30, 2006, plus reimbursements. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)

For an additional amount for "Medical administration" for expenses related to recent natural disasters in the Southeast, \$1,940,000, to remain available until September 30, 2005: Provided, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287. (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care	737	735	753
00.02 Rehabilitative care	25	24	25
00.03 Psychiatric care	226	226	232
00.04 Nursing home care	232	224	225
00.05 Subacute care	43	31	22
00.06 Residential care	48	48	49
00.07 Outpatient care	1,140	1,431	1,457
00.08 Miscellaneous benefits and services	1,165	1,210	1,259
00.09 CHAMPVA	30	40	45
00.91 Total operating expenses	3,646	3,969	4,067
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care	88	103	99
01.02 Rehabilitative care	10	12	12
01.03 Psychiatric care	31	37	36
01.04 Nursing home care	38	45	44
01.05 Subacute care	7	8	8
01.06 Residential care	10	12	12
01.07 Outpatient care	146	172	167
01.08 Miscellaneous benefits and services	17	20	20
01.09 CHAMPVA	3	4	4
01.91 Total capital investment	350	413	402
02.93 Total direct program	3,996	4,382	4,469
09.01 Reimbursable program	23	25	26
10.00 Total new obligations	4,019	4,407	4,495
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	33	30
22.00 New budget authority (gross)	4,050	4,404	4,465
23.90 Total budgetary resources available for obligation	4,053	4,437	4,495
23.95 Total new obligations	-4,019	-4,407	-4,495
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	33	30	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4,932	4,648	4,439
40.35 Appropriation permanently reduced (P.L. 108-199)	-30		

General and special funds—Continued

MEDICAL ADMINISTRATION—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0152-0-1-703	2004 actual	2005 est.	2006 est.
40.35 Appropriation permanently reduced (P.L. 108-447)		- 37	
41.00 Transferred to other accounts	- 875	- 232	
43.00 Appropriation (total discretionary)	4,027	4,379	4,439
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	16	25	26
68.10 Change in uncollected customer payments from Federal sources (unexpired)	7		
68.90 Spending authority from offsetting collections (total discretionary)	23	25	26
70.00 Total new budget authority (gross)	4,050	4,404	4,465

Change in obligated balances:

72.40 Obligated balance, start of year	13	657	1,270
73.10 Total new obligations	4,019	4,407	4,495
73.20 Total outlays (gross)	- 3,367	- 3,794	- 4,379
73.40 Adjustments in expired accounts (net)	- 1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	- 7		
74.40 Obligated balance, end of year	657	1,270	1,386

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	3,358	3,623	3,705
86.93 Outlays from discretionary balances	9	171	674
87.00 Total outlays (gross)	3,367	3,794	4,379

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	- 15	- 23	- 24
88.40 Non-Federal sources	- 1	- 2	- 2
88.90 Total, offsetting collections (cash)	- 16	- 25	- 26
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	- 7		

Net budget authority and outlays:

89.00 Budget authority	4,027	4,379	4,439
90.00 Outlays	3,351	3,769	4,353

For 2006, the budget requests total resources for the VA Medical Administration appropriation of \$4.4 billion, an increase of \$62 million over the 2005 level.

The Medical Administration appropriation finances the expenses of management, security, and administration of the VA health care system through the operation of VA medical centers, other facilities, Veterans Integrated Service Networks offices and facility director offices, chief of staff operations, quality of care oversight, all information technology hardware and software, legal services, billing and coding activities, procurement, financial management, and human resource management. This appropriation also finances the National Program Administration, VHA headquarters, which provides corporate leadership and support to VA's comprehensive and integrated health care system with a Headquarters' staff that includes a capital facilities management and development process.

Object Classification (in millions of dollars)

Identification code 36-0152-0-1-703	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	1,585	1,797	1,856
11.3 Other than full-time permanent	36	29	30
11.5 Other personnel compensation	180	205	211

11.9 Total personnel compensation	1,801	2,031	2,097
12.1 Civilian personnel benefits	539	520	538
13.0 Benefits for former personnel	8	1	1
21.0 Employee travel	33	35	36
21.0 All other	1		
22.0 Transportation of things	19	19	20
23.3 Communications, utilities, and miscellaneous charges	199	204	212
24.0 Printing and reproduction	10	11	11
25.2 Other contractual services	927	1,002	999
25.6 Medical and nursing fees	5		
26.0 Medical supplies and materials	86	137	141
26.0 Provisions	6		
31.0 Equipment	340	395	393
32.0 Medical land and structures	10	14	9
43.0 Interest and dividends	12	13	13
99.0 Direct obligations	3,996	4,382	4,470
99.0 Reimbursable obligations	23	25	25
99.9 Total new obligations	4,019	4,407	4,495

Personnel Summary

Identification code 36-0152-0-1-703	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	33,326	34,008	33,997
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	245	265	276

MEDICAL FACILITIES

[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities and other necessary facilities for the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the department; for oversight, engineering and architectural activities not charged to project costs; for repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry and food services, **[\$3,745,000,000] \$3,888,469,000**, of which \$250,000,000 shall be available until September 30, **[2006] 2007: Provided, That \$699,800,000, to remain available until expended, shall be for implementation of the Capital Asset Realignment for Enhanced Services activities. In addition, That such sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to 38 U.S.C. 8118 may be transferred to "Medical facilities", 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, 2005.)**

[For an additional amount for "Medical facilities" for expenses related to recent natural disasters, \$46,909,000, to remain available until September 30, 2006: Provided, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 36-0162-0-1-703	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care	782	898	929
00.02 Rehabilitative care	77	84	88
00.03 Psychiatric care	339	370	389
00.04 Nursing home care	462	463	365

00.05	Subacute care	59	55	47
00.06	Residential care	125	133	137
00.07	Outpatient care	649	679	670
00.08	Miscellaneous benefits and services	103	110	110
00.09	CHAMPVA	2	3	3
00.10	Construction, major projects	3	29	37
00.11	Construction, minor projects	31	35	24
00.91	Total operating expenses	2,632	2,859	2,799
	Capital investment:			
	Provision of veterans health care:			
01.01	Acute hospital care	106	106	133
01.02	Rehabilitative care	13	13	16
01.03	Psychiatric care	39	38	48
01.04	Nursing home care	47	46	59
01.05	Subacute care	9	8	11
01.06	Residential care	13	13	16
01.07	Outpatient care	180	178	224
01.08	Miscellaneous benefits and services	21	21	27
01.10	Construction, major projects	129	396	498
01.11	Construction, minor projects	171	211	141
01.91	Total capital investment	728	1,030	1,173
	Grant Program:			
02.01	Grants to States	147	114	12
02.93	Total direct program	3,507	4,003	3,984
09.01	Reimbursable program	11	13	14
10.00	Total new obligations	3,518	4,016	3,998
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	438	936	923
22.00	New budget authority (gross)	4,015	3,976	3,902
22.22	Unobligated balance transferred from other accounts	1	27	
23.90	Total budgetary resources available for obligation	4,454	4,939	4,825
23.95	Total new obligations	-3,518	-4,016	-3,998
24.40	Unobligated balance carried forward, end of year	936	923	827
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	4,419	4,428	3,888
40.35	Appropriation permanently reduced (P.L. 108-199)	-27		
40.35	Appropriation permanently reduced (P.L. 108-XXX)		-35	
41.00	Transferred to other accounts	-788	-452	
42.00	Transferred from other accounts	400		
43.00	Appropriation (total discretionary)	4,004	3,941	3,888
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	11	35	14
70.00	Total new budget authority (gross)	4,015	3,976	3,902
Change in obligated balances:				
72.40	Obligated balance, start of year	497	1,316	1,758
73.10	Total new obligations	3,518	4,016	3,998
73.20	Total outlays (gross)	-2,699	-3,574	-3,712
74.40	Obligated balance, end of year	1,316	1,758	2,044
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	2,397	2,860	2,841
86.93	Outlays from discretionary balances	302	714	871
87.00	Total outlays (gross)	2,699	3,574	3,712
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-4	-5	-5
88.40	Non-Federal sources	-7	-30	-9
88.90	Total, offsetting collections (cash)	-11	-35	-14
Net budget authority and outlays:				
89.00	Budget authority	4,004	3,941	3,888
90.00	Outlays	2,688	3,539	3,698

For 2006, the budget requests total resources for the VA Medical Facilities appropriation of \$3.9 billion, an increase of \$30.2 million over the 2005 level.

The Medical Facilities appropriation finances the operations, maintenance, construction, and alteration of the VA health care systems' vast capital infrastructure.

Medical Facilities.—Provides for the operations and maintenance of the capital infrastructure required to provide health care to the Nation's veterans. These costs include utilities, engineering, capital planning, leases, laundry and food services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition. The capital investment accounts necessary to ensure VA's infrastructure is adequate to support the delivery of quality health care are within the Medical Facilities appropriation. These capital investment programs finance the following activities:

(1) *Major Construction.*—Provides for constructing, altering, extending, and improving any VA facility for the provision of health-care services. This includes planning, architectural and engineering services, Capital Asset Realignment for Enhanced Services (CARES) activities, assessments, and site acquisition where the estimated cost of a project is \$7,000,000 or more for major construction.

(2) *Minor Construction.*—Provides for constructing, altering, extending, and improving any VA facility for the provision of health-care services. This includes planning, architectural and engineering services, Capital Asset Realignment for Enhanced Services (CARES) activities, assessments, and site acquisition where the estimated cost of a project is less than \$7,000,000 for minor construction.

(3) *Grants for Construction of State Extended Care Facilities.*— Provides 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. VA intends to complete a nationwide infrastructure assessment study for institutional long-term care, an area that was not included in the recent study of medical care facility needs (CARES). The 2006 budget temporarily halts grants to fund construction of new state extended care facilities to ensure that future construction aligns with the conclusions of the study.

(4) *Department of Veterans Affairs Capital Asset Fund.*— Provides for costs associated with the transfer and future transfers of real property; enhancing medical care services to veterans by improving patient care facilities through construction projects; and transfer, lease, or adaptive use of a National Register of Historic Places properties. Receipts to this account will be realized from the transfer of real property in accordance with P.L. 108-422.

Object Classification (in millions of dollars)

Identification code 36-0162-0-1-703	2004 actual	2005 est.	2006 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	989	1,107	1,137
11.3	Other than full-time permanent	22	18	19
11.5	Other personnel compensation	112	126	129
11.9	Total personnel compensation	1,123	1,251	1,285
12.1	Civilian personnel benefits	320	321	329
13.0	Benefits for former personnel		1	1
21.0	Employee travel	4	6	6
21.0	All other	18	19	19
22.0	Transportation of things	13	13	13
23.1	Rental payments to GSA	14	16	16
23.2	Rental payments to others	87	98	104
23.3	Communications, utilities, and miscellaneous charges	360	369	385
25.2	Other contractual services	388	396	284
25.2	Other construction services	32	57	54
25.6	Medical and nursing fees	1		
26.0	Medical supplies and materials	192	208	219
26.0	Provisions	79	81	83
31.0	Equipment	81	84	164
32.0	Medical land and structures	347	361	370
32.0	Construction, major projects, land and structures	129	396	498
32.0	Construction, minor projects, land and structures	171	211	141
41.0	Grants for construction of State extended care facilities	147	114	12

General and special funds—Continued

MEDICAL FACILITIES—Continued

[(INCLUDING TRANSFER OF FUNDS)]—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-0162-0-1-703	2004 actual	2005 est.	2006 est.
43.0 Interest and dividends	1	1	1
99.0 Direct obligations	3,507	4,003	3,984
99.0 Reimbursable obligations	11	13	14
99.9 Total new obligations	3,518	4,016	3,998

Personnel Summary

Identification code 36-0162-0-1-703	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	28,023	27,006	25,931
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	118	138	148

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by chapter 73 of title 38, United States Code, to remain available until September 30, [2006, \$405,593,000] 2007, \$786,000,000, plus reimbursements. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 36-0161-0-1-703	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
00.01 Bio-medical laboratory science research	434	405	403
00.02 Rehabilitation research	93	87	87
00.03 Health services research	123	116	115
00.04 Clinical science research	129	122	121
00.91 Total operating expenses	779	730	726
Capital investment:			
01.01 Bio-medical laboratory science research	52	49	49
01.02 Rehabilitation research	12	12	12
01.03 Health services research	5	5	5
01.04 Clinical science research	8	7	7
01.91 Total capital investment	77	73	73
01.92 Total direct program	856	803	799
09.01 Reimbursable program	41	50	50
10.00 Total new obligations	897	853	849
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	47	57	38
22.00 New budget authority (gross)	909	834	836
23.90 Total budgetary resources available for obligation	956	891	874
23.95 Total new obligations	-897	-853	-849
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	57	38	25
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	868	790	786
40.35 Appropriation permanently reduced	-2	-6	
43.00 Appropriation (total discretionary)	866	784	786
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	43	50	50
70.00 Total new budget authority (gross)	909	834	836

Change in obligated balances:

72.40 Obligated balance, start of year	123	124	134
73.10 Total new obligations	897	853	849
73.20 Total outlays (gross)	-894	-843	-827
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	124	134	156

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	787	705	710
86.93 Outlays from discretionary balances	107	138	117
87.00 Total outlays (gross)	894	843	827

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-32	-38	-38
88.40 Non-Federal sources	-11	-12	-12
88.90 Total, offsetting collections (cash)	-43	-50	-50

Net budget authority and outlays:

89.00 Budget authority	866	784	786
90.00 Outlays	850	793	777

For 2006, the total budgetary resources of \$1.7 billion remain essentially unchanged. These resources are comprised of direct appropriations of \$786 million and federal and private sector grants of \$866 million, which represents 52 percent of the total resources.

The 2006 budget request reflects a new account structure that will better position VA to more readily determine the full cost of a comprehensive research program leading the Nation's efforts to promote the health care of veterans. The Medical and Prosthetic Research Business Line includes the consolidation of what was the Medical and Prosthetic Research appropriation and the medical care research support funding formerly appropriated in the Medical Care appropriation.

This account is an intramural program whose mission is to acquire 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 and the medical care research support required for these programs:

Bio-medical Laboratory Research and Development Service.—This 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 and Development Service.—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 and Development Service.—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 prac-

tices for all veteran patients. Particular contributions are made in the areas of aging, substance abuse, health systems, and special populations.

Clinical Science Research and Development Service.—Clinical Science Research will encompass interventional and observational studies in humans, including pharmacological and surgical studies.

Medical Research Support.—Provides the indirect costs of the VA Research and Development program which includes such costs as the facility utility costs associated with laboratory space; administrative costs of human resources support, fiscal service, and supply service attributable to research; research's portions of a medical center's hazardous waste disposal and nuclear medicine licenses; and, most importantly, the funding for the time clinicians devote to their research activities.

VA's Medical and Prosthetic Research programs are included in the Federal Science & Technology (FS&T) budget.

Focus on Training Clinical Researchers.—The objective of the Career Development program is to train an appropriate number of VA clinicians who can conduct research in areas of high relevance to the health care of veterans.

PERFORMANCE MEASURES

The VA Research program has adopted three new performance measures to assess its effectiveness in both retaining clinicians and transferring research results to advance veterans' health care.

- The percentage of clinicians who remain paid VA employees at least three years after completion of their career development award.
- The annual number of patent disclosures filed by VA investigators.
- The annual number of peer-review publications that show VA listed as the affiliated institution.

Performance Measure	2004			Strategic Target
	2004	2005	2006	
Percentage of paid clinicians	NA	Baseline	58%	70%
Number of patents filed	NA	Baseline	169	217
Number of published peer-reviews	NA	Baseline	2,590	2,700

SUMMARY OF PROGRAM RESOURCES

(In millions of dollars)

	2004 actual	2005 est.	2006 est.
Medical and prosthetic research appropriation	866	784	786
Federal resources	610	625	662
Other non-federal resources	177	195	204
Total program resources	1,612	1,604	1,652

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	334	312	311
11.3 Other than full-time permanent	36	33	31
11.5 Other personnel compensation	69	65	64
11.9 Total personnel compensation	439	410	406
12.1 Civilian personnel benefits	113	106	105
13.0 Benefits for former personnel	1	1	1
21.0 Employee travel	6	5	5
21.0 Travel and transportation of persons	1		
23.1 Rental payments to GSA	3	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	2
24.0 Printing and reproduction		1	1
25.2 Other services	194	179	179
26.0 Supplies and materials	56	55	55
31.0 Equipment	41	41	41
32.0 Land and structures		1	1
92.0 Undistributed			1

99.0 Direct obligations	856	803	799
99.0 Reimbursable obligations	41	50	50
99.9 Total new obligations	897	853	849

Personnel Summary

Identification code 36-0161-0-1-703	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	6,538	5,941	5,671
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	260	260	260

In addition to research staff shown above, 5,100 staff carry out research at VA supported by other Federal and non-Federal resources.

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Reimbursable operating expenses	146	148	150
09.02 Reimbursable direct operations	97	98	99
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold	6	5	5
10.00 Total new obligations	249	251	254
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	18	9	1
22.00 New budget authority (gross)	240	243	254
23.90 Total budgetary resources available for obligation	258	252	255
23.95 Total new obligations	-249	-251	-254
24.40 Unobligated balance carried forward, end of year	9	1	1
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	240	243	246
69.00 Offsetting collections (from investment)			8
69.90 Spending authority from offsetting collections (total mandatory)	240	243	254
Change in obligated balances:			
72.40 Obligated balance, start of year	17	22	28
73.10 Total new obligations	249	251	254
73.20 Total outlays (gross)	-243	-245	-254
74.40 Obligated balance, end of year	22	28	28
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	240	242	253
86.98 Outlays from mandatory balances	3	3	1
87.00 Total outlays (gross)	243	245	254
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-240	-243	-254
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	3	2	
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	31	30	30
92.02 Total investments, end of year: Federal securities: Par value	30	30	22

The Veterans Canteen Service was established to furnish, at reasonable prices, merchandise and services necessary for

General and special funds—Continued

CANTEEN SERVICE REVOLVING FUND—Continued

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	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	37	38	39
11.3 Other than full-time permanent	36	36	36
11.9 Total personnel compensation	73	74	75
12.1 Civilian personnel benefits	18	18	19
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	4	4	4
26.0 Supplies and materials	149	149	150
31.0 Equipment	3	4	4
99.9 Total new obligations	249	251	254

Personnel Summary

Identification code 36-4014-0-3-705	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	2,890	2,900	2,900

MEDICAL CENTER RESEARCH ORGANIZATIONS

Program and Financing (in millions of dollars)

Identification code 36-4026-0-3-703	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Operating expenses	160	162	161
09.02 Capital investments	19	19	19
10.00 Total new obligations	179	181	180
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	16	16	16
22.00 New budget authority (gross)	179	181	180
23.90 Total budgetary resources available for obligation	195	197	196
23.95 Total new obligations	-179	-181	-180
24.40 Unobligated balance carried forward, end of year	16	16	16
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	179	181	180
Change in obligated balances:			
73.10 Total new obligations	179	181	180
73.20 Total outlays (gross)	-179	-181	-180
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	179	181	180
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-179	-181	-180
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 Department of Veterans Affairs medical centers. These organizations will derive funds to operate various research activities from

Federal and non-Federal sources. No appropriation is required to support these activities.

Object Classification (in millions of dollars)

Identification code 36-4026-0-3-703	2004 actual	2005 est.	2006 est.
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	111	113	112
26.0 Supplies and materials	46	47	47
31.0 Equipment	20	19	19
99.9 Total new obligations	179	181	180

Trust Funds

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

Unavailable Receipts (in millions of dollars)

Identification code 36-8180-0-7-705	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	1	1	4
Receipts:			
02.00 General post fund, national homes, Deposits	29	31	32
02.40 General post fund, national homes, Interest on investments	2	3	3
02.99 Total receipts and collections	31	34	35
04.00 Total: Balances and collections	32	35	39
Appropriations:			
05.00 General post fund, national homes	-31	-31	-32
07.99 Balance, end of year	1	4	7

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities	25	28	28
00.02 Research activities	2	2	3
00.03 Therapeutic residence maintenance	1	1	1
10.00 Total new obligations	28	31	32
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	59	62	62
22.00 New budget authority (gross)	31	31	32
23.90 Total budgetary resources available for obligation	90	93	94
23.95 Total new obligations	-28	-31	-32
24.40 Unobligated balance carried forward, end of year	62	62	62
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	31	31	32
Change in obligated balances:			
72.40 Obligated balance, start of year	5	5	5
73.10 Total new obligations	28	31	32
73.20 Total outlays (gross)	-27	-31	-35
74.40 Obligated balance, end of year	5	5	2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	27	28	32
86.98 Outlays from mandatory balances		3	3
87.00 Total outlays (gross)	27	31	35
Net budget authority and outlays:			
89.00 Budget authority	31	31	32
90.00 Outlays	27	31	35
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	62	67	63
92.02 Total investments, end of year: Federal securities: Par value	67	63	63

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

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	2004 actual	2005 est.	2006 est.
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	13	15	17
26.0 Supplies and materials	9	10	10
31.0 Equipment	3	3	2
32.0 Land and structures	1	1	1
99.9 Total new obligations	28	31	32

BENEFITS PROGRAMS

Federal Funds

General and special funds:

DISABILITY COMPENSATION BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies, the Reinstated Entitlement Program for Survivors, and for other benefits as authorized by law \$29,771,942,000; of which, not to exceed \$1,656,000 may be transferred to "Disability Compensation Administration" and "Medical Administration" for the administrative expenses authorized by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992. In addition, for making payments after June 30, 2006 for the disability compensation program administered by the Department, such sums as may be necessary. (38 U.S.C. 107, 1312, 1977, and 2106, chapters 11, 13, 18, 51, 53, 55, and 61; 42 U.S.C. 402, chapter 7; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198).

[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 (50 U.S.C. App. 540 et seq.) 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), \$32,607,688,000, to remain available until expended: *Provided*, That not to exceed \$20,703,000 of the amount appropriated under this heading shall be reimbursed to "General operating expenses" and "Medical services" 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, 2005.)

Program and Financing (in millions of dollars)

Identification code 36-0102-0-1-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
01.01 Veterans	22,323	24,619	26,015
01.02 Survivors	4,008	4,269	4,464
01.91 Direct Program by Activities—Subtotal	26,331	28,888	30,479
02.93 Total compensation	26,331	28,888	30,479
03.01 Chapter 18	16	17	18
03.02 Clothing allowance	49	51	54
03.04 Misc Assistance (EAJ, SAFD)	5	6	6
03.05 Medical exam pilot program	63	67	81
03.06 OBRA payment to VBA	1	2	2
03.07 Reinstated Entitlement Program for Survivors			6
03.91 Total other compensation expenses	134	143	167
09.02 Reinstated Entitlement for Suvivors	7	7	
09.99 Total reimbursable program	7	7	
10.00 Total new obligations	26,472	29,038	30,646
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,112	945	874
22.00 New budget authority (gross)	26,306	28,967	29,772
23.90 Total budgetary resources available for obligation	27,418	29,912	30,646
23.95 Total new obligations	-26,472	-29,038	-30,646
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	945	874	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	26,301	29,246	29,294
60.00 Appropriation			478
61.00 Transferred to other accounts	-3	-286	
62.50 Appropriation (total mandatory)	26,298	28,960	29,772
69.00 Offsetting collections (cash) REPS	8	7	
70.00 Total new budget authority (gross)	26,306	28,967	29,772
Change in obligated balances:			
72.40 Obligated balance, start of year	2,002	2,171	49
73.10 Total new obligations	26,472	29,038	30,646
73.20 Total outlays (gross)	-26,305	-31,160	-30,643
73.40 Adjustments in expired accounts (net)	2		
74.40 Obligated balance, end of year	2,171	49	52
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	23,191	28,045	29,720
86.98 Outlays from mandatory balances	3,114	3,115	923
87.00 Total outlays (gross)	26,305	31,160	30,643
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-8	-7	
Net budget authority and outlays:			
89.00 Budget authority	26,298	28,960	29,772
90.00 Outlays	26,297	31,153	30,643

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

Miscellaneous benefits provided for are:

General and special funds—Continued

DISABILITY COMPENSATION BENEFITS—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

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

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

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

The appropriation also provides for a pilot program authorizing VA to contract out medical examinations to determine service-connected disabilities of veterans who are potential applicants of compensation benefits and a program to allow VA to perform income matches for certain compensation recipients.

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

Legislation is proposed to provide a cost-of-living adjustment comparable to the annual social security increase to recipients of disability compensation, dependency and indemnity compensation, and clothing allowances. The increase, effective with payments made on January 1, 2006, is expected to be 2.3 percent.

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

	2004 actual	2005 est.	2006 est.
Veterans:			
Cases	2,518,464	2,593,783	2,688,248
Average payment per case, per year	\$8,863	\$9,492	\$9,677
Total obligations (in millions)	\$22,322	\$24,619	\$26,015
Survivors:			
Total	315,800	327,735	335,081
Average payment per case, per year	\$12,692	\$13,026	\$13,322
Total obligations (in millions)	\$4,008	\$4,269	\$4,464
Chapter 18:			
Children	1,147	1,194	1,219
Average payment per case, per year	\$14,037	\$14,388	\$14,728
Total obligations (in millions)	\$16	\$17	\$18
Clothing allowance:			
Number of veterans	82,074	82,945	85,273
Average payment per case, per year	\$597	\$615	\$633
Total obligations (in millions)	\$49	\$51	\$54
Other compensation caseload:			
Special allowance dependents	76	68	60
Equal Access to Justice payments	1,097	1,363	1,363
REPS:			
Spouses	15	22	12
Average benefit	\$56,722	\$28,678	\$34,510
Children	291	345	257
Average benefit	\$20,945	\$17,590	\$18,201
Obligations (in millions)	\$7	\$7	\$6

Object Classification (in millions of dollars)

Identification code 36-0102-0-1-701	2004 actual	2005 est.	2006 est.
42.0 Direct obligations: Insurance claims and indemnities	26,465	29,031	30,646
99.0 Reimbursable obligations: Reimbursable obligations ...	7	7	
99.9 Total new obligations	26,472	29,038	30,646

DISABILITY COMPENSATION ADMINISTRATION

For operating expenses associated with the provision of compensation benefits; reimbursement of the Department of Defense for the cost of overseas employee mail; and purchase of two passenger motor vehicles for use by the Veterans Benefits Administration in Manila, Philippines, \$701,343,700, including no more than \$11,892,000 for construction.

Program and Financing (in millions of dollars)

Identification code 36-0134-0-1-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
03.01 Administrative expenses	698	760	739
03.02 Construction, major projects		2	
03.03 Construction, minor projects	13	13	12
03.92 Total other direct expenses	711	775	751
09.02 Administrative expense	78	78	97
09.99 Total reimbursable program	78	78	97
10.00 Total new obligations	789	853	848
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	40	53	50
22.00 New budget authority (gross)	738	850	798
22.22 Unobligated balance of FY2003 emergency sup transferred from Gen Ad	63		
22.30 Expired unobligated balance transfer to unexpired account	5		
23.90 Total budgetary resources available for obligation	846	903	848
23.95 Total new obligations	-789	-853	-848
23.98 Unobligated balance expiring or withdrawn	-4		
24.40 Unobligated balance carried forward, end of year	53	50	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	664	658	701
40.35 Appropriation permanently reduced pursuant to H.R. 2673	-4		
40.35 Appropriation reduced pursuant to P.L. 108-447		-5	
42.00 Transferred from other accounts		119	
43.00 Appropriation (total discretionary)	660	772	701
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	78	78	97
70.00 Total new budget authority (gross)	738	850	798
Change in obligated balances:			
72.40 Obligated balance, start of year	53	87	146
73.10 Total new obligations	789	853	848
73.20 Total outlays (gross)	-746	-794	-822
73.40 Adjustments in expired accounts (net)	-9		
74.40 Obligated balance, end of year	87	146	172
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	601	664	653
86.93 Outlays from discretionary balances	145	130	169
87.00 Total outlays (gross)	746	794	822
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-78	-78	-97
Net budget authority and outlays:			
89.00 Budget authority	660	772	701
90.00 Outlays	668	716	725

This appropriation provides for the corporate leadership and operational support to VA's Disability Compensation business line. Additionally, funding is provided for capital asset investments.

The Veterans Benefits Administration determines eligibility and adjudicates all claims for compensation awards. Workload data for this program are shown below. Specific performance goals relating to the processing of veterans benefits are contained in VA's congressional budget. The Disability Com-

compensation business line provides processing of claims for veterans and dependents relating to compensation benefits under the various laws enacted by Congress.

WORKLOAD

	2004 actual	2005 est.	2006 est.
Compensation:			
Rating-Related Actions	683,758	704,272	725,399
Non Rating Actions	261,551	269,398	277,480
Object Classification (in millions of dollars)			
Identification code 36-0134-0-1-701			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	386	376	395
11.5 Other personnel compensation	50	74	82
11.9 Total personnel compensation	436	450	477
12.1 Civilian personnel benefits	101	119	133
21.0 Employee travel	5	6	5
22.0 Transportation of things	1	1	2
23.1 Rental payments to GSA	55	62	67
23.2 Rental payments to others	7	6	6
23.3 Communications, utilities, and miscellaneous charges	23	20	21
24.0 Printing and reproduction	2	1	1
25.2 Other services	59	82	18
26.0 Supplies and materials	4	4	4
31.0 Equipment	5	9	5
32.0 Land and structures	13	15	12
99.0 Direct obligations	711	775	751
99.0 Reimbursable obligations	78	78	97
99.9 Total new obligations	789	853	848

Personnel Summary

	2004 actual	2005 est.	2006 est.
Identification code 36-0134-0-1-701			
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	7,316	7,269	7,380
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	252	246	248

EDUCATION BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of education and training benefits to or on behalf of veterans as authorized by law, including any payment for associated activities authorized by 38 U.S.C. 3034(e), 3674, 3684(c), and 3697, \$2,580,115,000. In addition, for making payments after June 30, 2006 for the education program administered by the Department, such sums as may be necessary. (38 U.S.C. chapters 21, 30, 34, 35, 36, 39, 51, 53, 55, and 61).

[For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61), \$2,556,232,000, 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 this account.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

	2004 actual	2005 est.	2006 est.
Identification code 36-0137-0-1-702			
Obligations by program activity:			
Direct program:			
01.01 Veterans/servicepersons	1,674	1,829	1,976
01.03 Dependents	332	405	443
01.04 Tuition Assistance	17	18	18
01.05 Licensing and Certification	2	2	2
01.06 Work study	19	21	21

01.07 Payments to states	18	18	19
01.08 Reporting fees	3	3	3
01.09 Special Assistance	76	95	96
01.91 Direct Program by Activities—Subtotal	2,141	2,391	2,578
01.92 Total education program	2,141	2,391	2,578
02.02 Administrative expenses	1	8	2
03.93 Total Direct Program	2,142	2,399	2,580
Reimbursable education program:			
09.01 Veterans' basic benefits	7	8	8
09.02 Veterans' supplementary benefits	87	89	99
09.03 Reservists benefits	124	251	284
09.04 Reservists supplementary benefits	53	37	36
09.05 National Call to Service			1
09.09 Reimbursable program—subtotal line	271	385	428
10.00 Total new obligations	2,413	2,784	3,008

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	401	227	
22.00 New budget authority (gross)	2,239	2,557	3,008
23.90 Total budgetary resources available for obligation	2,640	2,784	3,008
23.95 Total new obligations	-2,413	-2,784	-3,008
24.40 Unobligated balance carried forward, end of year	227		

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	1,968	1,991	2,580
62.00 Transferred from other accounts		181	
62.50 Appropriation (total mandatory)	1,968	2,172	2,580
69.00 Offsetting collections (cash)	271	385	428
70.00 Total new budget authority (gross)	2,239	2,557	3,008

Change in obligated balances:

72.40 Obligated balance, start of year	56	65	13
73.10 Total new obligations	2,413	2,784	3,008
73.20 Total outlays (gross)	-2,404	-2,836	-2,998
74.40 Obligated balance, end of year	65	13	23

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	1,947	2,544	2,985
86.98 Outlays from mandatory balances	457	292	13
87.00 Total outlays (gross)	2,404	2,836	2,998

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-271	-385	-428

Net budget authority and outlays:

89.00 Budget authority	1,968	2,172	2,580
90.00 Outlays	2,133	2,451	2,570

This appropriation finances educational assistance allowances for certain service persons, 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. Voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense are included in the Post-Vietnam Era Veterans Education Account.

All Volunteer Force educational assistance (Montgomery GI Bill).—Public Law 98-525, enacted October 19, 1984, established two new educational programs: an assistance program for veterans who enter active duty during the period beginning July 1, 1985; and an assistance program for certain members of the Selected Reserve. Public Law 108-375 established a program to provide educational assistance to members of the reserve components called or ordered to active service in response to a war or national emergency declared by the President or the Congress, in recognition of the sacrifices that those members make in answering the call to duty. The Education appropriation pays the basic benefit al-

General and special funds—ContinuedEDUCATION BENEFITS—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

allowance for veterans, except for certain Post-Vietnam Era Veterans Education participants who transferred to the Montgomery GI Bill program. Supplementary educational assistance, Post-Vietnam Era Veterans Education converters, reservists, and the National Call to Service Program are financed by payments from the Department of Defense and the Department of Homeland Security.

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

CASELOAD AND AVERAGE COST DATA

	2004 actual	2005 est.	2006 est.
Veterans/ Servicemembers:			
Number of trainees	332,031	351,450	367,658
Average cost per trainee	\$5,326	\$5,421	\$5,603
Total cost (in millions)	\$1,768	\$1,905	\$2,060
Reservists (1606):			
Number of trainees	89,136	59,934	57,725
Average cost per trainee	\$1,958	\$1,997	\$2,068
Total cost (in millions)	\$175	\$120	\$119
Reservists (1607):			
Number of trainees		46,346	54,103
Average cost per trainee		\$3,559	\$3,648
Total cost (in millions)		\$165	\$197

Dependents' education and training.—This program provides benefits to children and spouses of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. In addition, dependents of servicepersons missing in action or interned by a hostile foreign government for more than 90 days are also eligible. The following table provides a comparison of trainees and costs for the Dependents Educational Assistance program.

NUMBER OF TRAINEES AND COST

	2004 actual	2005 est.	2006 est.
Sons and daughters:			
Number of trainees	59,372	64,479	68,809
Average cost per trainee (in dollars)	\$4,966	\$5,564	\$5,701
Total cost (in millions)	\$295	\$359	\$392
Spouses and widow(ers):			
Number of trainees	9,644	10,593	11,285
Average cost per trainee (in dollars)	\$3,868	\$4,340	\$4,450
Total cost (in millions)	\$37	\$46	\$50

Special Assistance to Disabled Veterans.—Certain disabled veterans are provided with automobile grants with the associated approved adaptive equipment. An allowance, up to a maximum of \$11,000 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.

Specially adapted housing grants.—Specially adapted housing grants, up to a maximum of \$50,000, 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 \$10,000. The following table shows caseload for this program. Specific performance goals are contained in VA's congressional budget.

Tuition Assistance.—Public Law 106-398, enacted October 30, 2000, allows the military services to pay up to 100 percent of tuition and expenses charged by a school for service members. If a service department pays less than 100 percent,

a service member eligible for the Montgomery GI Bill—Active-duty (MGIB) can elect to receive MGIB benefits for all or a portion of the remaining expenses. Public Law 108-454 established a program that provides availability of education benefits for payment for national admissions exams and national exams for credit at institutions of higher education.

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

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

CASELOAD AND AVERAGE COST DATA

	2004 actual	2005 est.	2006 est.
Automobiles or other conveyances:			
Number of Conveyances	1,585	1,585	1,585
Average benefit	\$9,253	\$11,000	\$11,000
Obligations (in millions)	\$15	\$17	\$17
Adaptive equipment (including maintenance, repair: and installation for automobiles)			
Number of items	8,133	8,133	8,133
Average benefit	\$4,059	\$4,278	\$4,510
Obligations (in millions)	\$33	\$35	\$37
Housing grants:			
Number of housing grants	846	846	846
Average cost per grant	\$33,043	\$50,000	\$50,000
Total cost (in millions)	\$28	\$42	\$42
Tuition Assistance:			
Number of trainees	21,277	22,000	22,000
Average cost per trainee	\$792	\$808	\$831
Total cost (in millions)	\$17	\$18	\$18
Education Benefits for Payment for National Admissions Exams:			
Number of trainees		102,516	106,180
Total cost (in millions)		\$12	\$12
Licensing and Certification:			
Number of payments	6,424	6,745	7,082
Average cost per trainee	\$283	\$311	\$342
Total cost (in millions)	\$2	\$2	\$2
National Call to Service:			
Number of trainees	0	50	200
Total cost (in millions)	\$0	\$0	\$1

Work-Study.—Certain veterans, reservists, and dependents pursuing a program of 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 September 1, 1997) or state minimum wage rate, whichever is higher.

	2004 actual	2005 est.	2006 est.
Number of contracts	14,815	14,855	14,855
Total cost (in millions)	\$22	\$24	\$25

Payments to States.—State approving agencies are reimbursed for the costs of inspecting, approving, and supervising programs of education and training offered by educational

institutions and training establishments in which veterans, dependents, and reservists are enrolled or are about to enter.

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

Object Classification (in millions of dollars)

Identification code 36-0137-0-1-702	2004 actual	2005 est.	2006 est.
41.0 Direct obligations: Grants, subsidies, and contributions	2,142	2,399	2,580
99.0 Reimbursable obligations: Reimbursable obligations ...	271	385	428
99.9 Total new obligations	2,413	2,784	3,008

EDUCATION ADMINISTRATION

For operating expenses of education and training benefits and reimbursement of the Department of Defense for the cost of overseas employee mail, \$100,340,000, including no more than \$775,000 for construction.

Program and Financing (in millions of dollars)

Identification code 36-0133-0-1-702	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
03.01 Administrative expenses	76	92	99
03.03 Construction, minor projects	1	1	1
03.92 Total other direct expenses	77	93	100
09.02 Administrative expense	1	8	3
09.99 Total reimbursable program	1	8	3
10.00 Total new obligations	78	101	103
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	3	.....
22.00 New budget authority (gross)	77	98	103
23.90 Total budgetary resources available for obligation	81	101	103
23.95 Total new obligations	-78	-101	-103
24.40 Unobligated balance carried forward, end of year	3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	77	91	100
40.35 Appropriation permanently reduced pursuant to H.R. 2673	-1	.....	.....
40.35 Appropriation reduced pursuant to P.L. 108-447 .....	.....	-1	.....
43.00 Appropriation (total discretionary)	76	90	100
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	8	3
70.00 Total new budget authority (gross)	77	98	103
Change in obligated balances:			
72.40 Obligated balance, start of year	7	12	19
73.10 Total new obligations	78	101	103
73.20 Total outlays (gross)	-73	-94	-98
74.40 Obligated balance, end of year	12	19	24
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	62	80	83
86.93 Outlays from discretionary balances	11	14	15
87.00 Total outlays (gross)	73	94	98
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-8	-3
Net budget authority and outlays:			
89.00 Budget authority	76	90	100
90.00 Outlays	72	86	95

This appropriation provides for the corporate leadership and operational support to VA's Education business line. Additionally, funding is provided for capital asset investments.

WORKLOAD

	2004 actual	2005 est.	2006 est.
Original claims	192,948	194,619	211,874
Adjustments/supplemental claims	1,070,203	1,104,594	1,202,529

Object Classification (in millions of dollars)

Identification code 36-0133-0-1-702	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	39	43	44
11.5 Other personnel compensation	6	8	8
11.9 Total personnel compensation	45	51	52
12.1 Civilian personnel benefits	12	14	15
21.0 Employee travel	1	3	1
23.1 Rental payments to GSA	7	7	8
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	3	3
24.0 Printing and reproduction	1	.....	.....
25.2 Other services	9	8	17
26.0 Supplies and materials	1	1	1
31.0 Equipment	3	1	1
32.0 Land and structures	1	1	1
99.0 Direct obligations	77	93	100
99.0 Reimbursable obligations	1	8	3
99.9 Total new obligations	78	101	103

Personnel Summary

Identification code 36-0133-0-1-702	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	841	888	874

VOCATIONAL REHABILITATION AND EMPLOYMENT BENEFITS

For the provision of vocational rehabilitation and employment benefits (including independent living services and assistance) to or on behalf of veterans, as authorized by law, \$634,130,000. In addition, for making payments after June 30, 2006 for the vocational rehabilitation and employment program administered by the Department, such sums as may be necessary. (38 U.S.C. chapters 31, 36, 51, 53, 55, and 61).

Program and Financing (in millions of dollars)

Identification code 36-0135-0-1-702	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
01.01 Vocational rehabilitation training	314	342	372
01.02 Subsistence allowance	228	239	252
01.04 Work study	10	9	10
10.00 Total new obligations (object class 41.0)	552	590	634
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	11	20	.....
22.00 New budget authority (gross)	561	570	634
23.90 Total budgetary resources available for obligation	572	590	634
23.95 Total new obligations	-552	-590	-634
24.40 Unobligated balance carried forward, end of year	20	.....	.....
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	561	565	634
62.00 Transferred from other accounts .....	.....	5	.....
62.50 Appropriation (total mandatory)	561	570	634

General and special funds—Continued

VOCATIONAL REHABILITATION AND EMPLOYMENT BENEFITS—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0135-0-1-702	2004 actual	2005 est.	2006 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	16	17	3
73.10 Total new obligations	552	590	634
73.20 Total outlays (gross)	-551	-604	-632
74.40 Obligated balance, end of year	17	3	5
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	525	567	629
86.98 Outlays from mandatory balances	26	37	3
87.00 Total outlays (gross)	551	604	632
Net budget authority and outlays:			
89.00 Budget authority	561	570	634
90.00 Outlays	551	604	632

This appropriation finances assistance allowances for certain disabled veterans who are provided with vocational rehabilitation and employment services.

In compliance with the Federal Credit Reform Act of 1990, the Vocational Rehabilitation Loan Fund Program account is reported separately under the Vocational Rehabilitation Loans Program Account. The Vocational Rehabilitation Loans program provides loans (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.

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

Work-Study.—Certain veterans pursuing a program of rehabilitation, who are enrolled as a full-time student, can work up to 250 hours per semester, receiving the Federal (\$5.15 on September 1, 1997) or state minimum wage rate, whichever is higher.

The following table shows caseload for this program. We are now including individuals in the category of Rehabilitation Evaluation Planning and Service Delivery. Although these cases are receiving VR&E services, they are not receiving monetary benefits. Specific performance goals are contained in VA's congressional budget.

CASELOAD AND AVERAGE COST DATA

	2004 actual	2005 est.	2006 est.
Special assistance to disabled veterans:			
Rehabilitation Evaluation Planning and Service cases	24,782	25,464	26,164
Number of participants	70,069	71,956	73,935
Average cost	\$7,728	\$8,062	\$8,443
Work-study:			
Number of contracts	6,924	6,884	6,884
Cost (in millions)	\$10	\$91	\$10
Total cost (in millions)	\$552	\$590	\$634

VOCATIONAL REHABILITATION AND EMPLOYMENT ADMINISTRATION

For operating expenses of vocational rehabilitation and employment benefits (including administrative expenses incurred under section 3104(a) (1), (2), (5), and (11) of title 38, United States Code); and reimbursement of the Department of Defense for the cost of overseas employee mail, \$147,079,000, including no more than \$1,886,000 for construction, and including no more than \$305,000 for administering the direct loan program.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, [\$47,000] \$53,000, 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 under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed [\$4,108,000] \$4,242,000.

[In addition, for administrative expenses necessary to carry out the direct loan program, \$311,000, 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, 2005.*)

Program and Financing (in millions of dollars)

Identification code 36-0132-0-1-702	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
03.01 Administrative expenses	122	146	145
03.03 Construction, minor projects	2	3	2
03.92 Total other direct expenses	124	149	147
10.00 Total new obligations	124	149	147
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	4	.....
22.00 New budget authority (gross)	124	145	147
23.90 Total budgetary resources available for obligation	127	149	147
23.95 Total new obligations	-124	-149	-147
24.40 Unobligated balance carried forward, end of year	4	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	125	140	147
40.35 Appropriation permanently reduced pursuant to H.R. 2673	-1	.....	.....
40.35 Appropriation reduced pursuant to P.L. 108-447 .....	.....	-1	.....
42.00 Transferred from other accounts .....	.....	6	.....
43.00 Appropriation (total discretionary)	124	145	147
Change in obligated balances:			
72.40 Obligated balance, start of year	10	17	32
73.10 Total new obligations	124	149	147
73.20 Total outlays (gross)	-117	-134	-141
74.40 Obligated balance, end of year	17	32	38
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	97	115	117
86.93 Outlays from discretionary balances	20	19	24
87.00 Total outlays (gross)	117	134	141
Net budget authority and outlays:			
89.00 Budget authority	124	145	147
90.00 Outlays	117	134	141

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

Identification code 36-0132-0-1-702	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct loan levels	3	4	4
115901 Total direct loan levels	3	4	4
Direct loan subsidy (in percent):			
132001 Subsidy rate	1.33	1.14	1.59
132901 Weighted average subsidy rate	0.00	1.14	1.59
Direct loan subsidy budget authority:			
133001 Subsidy budget authority .....	.....	.....	.....
133901 Total subsidy budget authority .....	.....	.....	.....
Direct loan subsidy outlays:			
134001 Subsidy outlays .....	.....	.....	.....
134901 Total subsidy outlays .....	.....	.....	.....

This appropriation provides for the corporate leadership and operational support to VA's VR&E business line. Additionally, funding is provided for capital asset investments.

The VBA VR&E service 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.

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 in 1992 and beyond, as well as the administrative expenses of this program. The subsidy amounts are estimated on a net present value basis.

WORKLOAD ¹

	2004 actual	2005 est.	2006 est.
Evaluation and planning	28,183	30,438	31,960
Rehabilitation services	61,346	66,254	69,567
Employment services status	6,480	6,998	7,348
Vocational/educational counseling	12,500	13,500	14,175

¹ Veterans may be in more than one category.

Object Classification (in millions of dollars)

Identification code 36-0132-0-1-702	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	58	62	65
11.5 Other personnel compensation	7	10	11
11.9 Total personnel compensation	65	72	76
12.1 Civilian personnel benefits	22	21	23
21.0 Employee travel	1	2	2
23.1 Rental payments to GSA	8	8	9
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	3	3	4
25.2 Other services	20	35	27
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	3	2
32.0 Land and structures	2	3	2
99.9 Total new obligations	124	149	147

Personnel Summary

Identification code 36-0132-0-1-702	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,105	1,102	1,123

INSURANCE BENEFITS

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, [\$44,380,000] \$45,907,000, to remain available until expended. *In addition, for making payments after June 30, 2006 for the insurance program administered by the Department, such sums as may be necessary. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)*

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Payment to NSLI	1	1	1
00.10 VMLI death claims	8	9	9
00.12 Payment to service-disabled veterans insurance	25	37	37
01.00 Total direct expenses	34	47	47
10.00 Total new obligations	34	47	47
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	.....

22.00	New budget authority (gross)	34	46	48
23.90	Total budgetary resources available for obligation	35	47	48
23.95	Total new obligations	-34	-47	-47
24.40	Unobligated balance carried forward, end of year	1	.....	1

New budget authority (gross), detail:

Mandatory:				
60.00	Appropriation	29	44	46
62.00	Transferred from Compensation Benefits accounts	3	.....	.....
62.50	Appropriation (total mandatory)	32	44	46
69.00	Offsetting collections (cash)	2	2	2
70.00	Total new budget authority (gross)	34	46	48

Change in obligated balances:

73.10	Total new obligations	34	47	47
73.20	Total outlays (gross)	-34	-47	-48

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	33	46	48
86.98	Outlays from mandatory balances	1	1	.....
87.00	Total outlays (gross)	34	47	48

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	32	44	46
90.00	Outlays	32	45	46

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.

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

Military and naval insurance.—Payments are made to the USGLI 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 (NSLI).—Payments are made to the NSLI 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.

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

Veterans mortgage life insurance (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 2006 as indicated in the following table.

General and special funds—Continued

INSURANCE BENEFITS—Continued

POLICIES AND INSURANCE IN FORCE

	2004 actual	2005 est.	2006 est.
VMLI policies:			
Number of policies	2,625	2,560	2,470
Amount of insurance (dollars in millions)	\$170	\$170	\$169

Object Classification (in millions of dollars)

Identification code 36-0120-0-1-701	2004 actual	2005 est.	2006 est.
42.0 Direct obligations: Insurance claims and indemnities	34	45	45
99.0 Reimbursable obligations: Reimbursable obligations		2	2
99.9 Total new obligations	34	47	47

INSURANCE ADMINISTRATION

For operating expenses associated with the provision of insurance programs; and reimbursement of the Department of Defense for the cost of overseas employee mail, \$4,632,000, including no more than \$211,000 for construction.

Program and Financing (in millions of dollars)

Identification code 36-0141-0-1-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
03.01 Administrative expenses	4	4	5
03.92 Total other direct expenses	4	4	5
09.02 Administrative expense	38	41	41
09.99 Total reimbursable program	38	41	41
10.00 Total new obligations	42	45	46
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross)	42	45	46
23.90 Total budgetary resources available for obligation	43	45	46
23.95 Total new obligations	-42	-45	-46
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	5
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	38	41	41
70.00 Total new budget authority (gross)	42	45	46
Change in obligated balances:			
72.40 Obligated balance, start of year	2	3	4
73.10 Total new obligations	42	45	46
73.20 Total outlays (gross)	-40	-44	-45
74.40 Obligated balance, end of year	3	4	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	34	38	39
86.93 Outlays from discretionary balances	6	6	6
87.00 Total outlays (gross)	40	44	45
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-38	-41	-41
Net budget authority and outlays:			
89.00 Budget authority	4	4	5
90.00 Outlays	3	3	4

This appropriation provides for the corporate leadership and operational support to VA's Insurance business line. Additionally, funding is provided for capital asset investments.

WORKLOAD

	2004 actual	2005 est.	2006 est.
Policy service actions	756,270	739,000	716,990
Collections	2,137,372	2,071,000	2,004,628
Disability claims	35,551	38,000	37,280
Insurance awards	532,169	530,000	523,640

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.

Object Classification (in millions of dollars)

Identification code 36-0141-0-1-701	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	2	2	3
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	3	3	4
12.1 Civilian personnel benefits	1	1	1
99.0 Direct obligations	4	4	5
99.0 Reimbursable obligations	38	41	41
99.9 Total new obligations	42	45	46

Personnel Summary

Identification code 36-0141-0-1-701	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	45	45	65
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	445	468	442

PENSIONS BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of pension benefits to or on behalf of veterans, a pilot program for disability examinations, payment of premiums due on commercial life insurance policies, and for other benefits as authorized by law, \$3,470,360,000; of which not to exceed \$21,835,000 may be transferred to "Pension Administration" and "Medical Administration" for the administrative expenses authorized by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992: Provided, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical Services" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized. In addition, for making payments after June 30, 2006 for the pension programs administered by the Department, such sums as may be necessary. (38 U.S.C. 107, 1312, 1977, and 2106, chapters 15, 23, 51, 53, 55, 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198; 92 Stat. 2508).

Program and Financing (in millions of dollars)

Identification code 36-0154-0-1-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
01.03 Improved law	2,579	2,631	2,685
01.04 Prior law	24	20	17
01.91 Total veterans	2,603	2,651	2,702
02.01 Improved law	667	685	698
02.02 Prior law	54	50	46
02.03 Old law	1	1	1
02.91 Total survivors	722	736	745
02.92 Total pensions	3,325	3,387	3,447
03.01 OBRA payment to VBA	7	8	8
03.02 OBRA payment to VHA	9	11	14
03.03 Contract Medical exams	1	1	1
03.91 Direct Program by Activities	17	20	23
10.00 Total new obligations (object class 42.0)	3,342	3,407	3,470
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	65	114	1

22.00	New budget authority (gross)	3,391	3,294	3,470
23.90	Total budgetary resources available for obligation	3,456	3,408	3,471
23.95	Total new obligations	-3,342	-3,407	-3,470
24.40	Unobligated balance carried forward, end of year	114	1	1
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	3,391	3,194	3,470
62.00	Transferred from other accounts		100	
62.50	Appropriation (total mandatory)	3,391	3,294	3,470
Change in obligated balances:				
72.40	Obligated balance, start of year	264	272	5
73.10	Total new obligations	3,342	3,407	3,470
73.20	Total outlays (gross)	-3,334	-3,674	-3,470
74.40	Obligated balance, end of year	272	5	5
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	3,005	3,288	3,464
86.98	Outlays from mandatory balances	329	386	6
87.00	Total outlays (gross)	3,334	3,674	3,470
Net budget authority and outlays:				
89.00	Budget authority	3,391	3,294	3,470
90.00	Outlays	3,334	3,674	3,470

This appropriation provides for the payment of pensions to veterans or their survivors. A veteran's entitlement is based on active duty service of a specific length (normally 90 days or more) during a designated war period, disabilities considered permanent and total, and countable income below established levels. There is no disability requirement for survivor cases or veterans age 65 or older. Income support is provided at established benefit levels. An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2006, is expected to be 2.3 percent.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	2004 actual	2005 est.	2006 est.
Veterans:			
Improved law	329,662	324,500	320,082
Prior law	13,026	11,125	9,513
Old law and service	173	153	135
Total	342,861	335,778	329,730
Average payment per case, per year (in dollars)	\$7,594	\$7,896	\$8,195
Total obligations (in millions)	\$2,604	\$2,651	\$2,702
Survivors:			
Improved law	166,415	163,544	160,404
Prior law	51,521	46,438	41,900
Old law and service	584	470	379
Total	218,520	210,452	202,683
Average payment per case, per year (in dollars)	\$3,304	\$3,498	\$3,676
Total obligations (in millions)	\$722	\$736	\$745

PENSIONS ADMINISTRATION

For operating expenses associated with the provision of pension benefits and reimbursement of the Department of Defense for the cost of overseas employee mail, \$147,742,800, including no more than \$3,093,000 for construction.

Program and Financing (in millions of dollars)

Identification code 36-0143-0-1-701	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
03.01	Administrative expenses	142	135	145

03.02	Construction, major projects	1		
03.03	Construction, minor projects	4	3	3
03.92	Total other direct expenses	146	139	148
09.02	Administrative expense	7	9	9
09.99	Total reimbursable program	7	9	9
10.00	Total new obligations	153	148	157
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	4	1	
22.00	New budget authority (gross)	150	147	157
23.90	Total budgetary resources available for obligation	154	148	157
23.95	Total new obligations	-153	-148	-157
24.40	Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	144	139	148
40.35	Appropriation permanently reduced pursuant to HR 2673	-1		
40.35	Appropriation reduced pursuant to P.L. 108-447		-1	
43.00	Appropriation (total discretionary)	143	138	148
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	7	9	9
70.00	Total new budget authority (gross)	150	147	157
Change in obligated balances:				
72.40	Obligated balance, start of year	15	26	33
73.10	Total new obligations	153	148	157
73.20	Total outlays (gross)	-142	-141	-151
74.40	Obligated balance, end of year	26	33	39
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	110	118	127
86.93	Outlays from discretionary balances	32	23	24
87.00	Total outlays (gross)	142	141	151
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-7	-9	-9
Net budget authority and outlays:				
89.00	Budget authority	143	138	148
90.00	Outlays	135	132	142

This appropriation provides for the corporate leadership and operational support to VA's Pension business line. Additionally, funding is provided for capital asset investments.

The Veterans Benefits Administration determines eligibility and adjudicates all claims for pensions awards. Workload data for this program are shown below. Specific performance goals relating to the processing of veterans benefits are contained in VA's congressional budget. The Pension business line provides processing of claims for veterans and dependents relating to pension benefits under the various laws enacted by Congress.

WORKLOAD

	2004 actual	2005 est.	2006 est.
Pension:			
Rating-Related Actions	87,357	89,978	92,677
Non Rating Actions	283,233	291,730	300,481

Object Classification (in millions of dollars)

Identification code 36-0143-0-1-701	2004 actual	2005 est.	2006 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	75	67	71
11.5	Other personnel compensation	9	14	16
11.9	Total personnel compensation	84	81	87

General and special funds—Continued

PENSIONS ADMINISTRATION—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-0143-0-1-701	2004 actual	2005 est.	2006 est.
12.1 Civilian personnel benefits	20	21	23
21.0 Employee travel	1	2	1
23.1 Rental payments to GSA	10	11	12
23.2 Rental payments to others	1	2	2
23.3 Communications, utilities, and miscellaneous charges	2	4	5
25.2 Other services	22	11	12
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	2	2
32.0 Land and structures	4	4	3
99.0 Direct obligations	146	139	148
99.0 Reimbursable obligations	7	9	9
99.9 Total new obligations	153	148	157

Personnel Summary

Identification code 36-0143-0-1-701	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,435	1,344	1,351
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	100	100	108

BURIAL BENEFITS

[NATIONAL CEMETERY ADMINISTRATION]

For the provision of burial benefits and payments as authorized by law, \$170,577,000. In addition, for making payments after June 30, 2006 for the burial benefits program administered by the Department, such sums as may be necessary. (38 U.S.C. 107, chapters 23, 51, 53, 55, and 61).

[For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; and hire of passenger motor vehicles, \$148,925,000: *Provided*, That of the funds made available under this heading, not to exceed \$7,400,000 shall be available until September 30, 2006.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)

[For an additional amount for "National Cemetery Administration", for expenses related to recent natural disasters in the Southeast, \$50,000, to remain available until September 30, 2005: *Provided*, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 36-0139-0-1-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
01.01 Burial allowance	32	36	37
01.02 Burial plots	18	19	20
01.03 Service-connected deaths	22	27	28
01.04 Burial flags	17	18	19
01.05 Headstones and markers	43	36	36
01.06 Graveliners	10	9	8
01.07 Pre-placed crypts	11	23	23
10.00 Total new obligations (object class 42.0)	153	168	171
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	153	168	171
23.95 Total new obligations	-153	-168	-171

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	153	168	171
Change in obligated balances:			
73.10 Total new obligations	153	168	171
73.20 Total outlays (gross)	-153	-168	-171
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	153	168	171
Net budget authority and outlays:			
89.00 Budget authority	153	168	171
90.00 Outlays	153	168	171

The Department of Veterans Affairs administers a range of burial programs to benefit eligible veterans and family members. The responsibility for these programs is divided between two VA organizations. Most monetary benefits and the burial flags program are administered by the Veterans Benefits Administration (VBA). Cemetery programs and other in-kind benefits are administered by the National Cemetery Administration (NCA). Funding for the provision of burial benefits and services in VA is provided from the Burial Benefits Appropriation and the National Cemetery Gift Fund.

This appropriation provides burial benefits 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 \$300 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to \$2,000 when a veteran dies as 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 Administration.

NUMBER OF BURIAL BENEFITS

	2004 actual	2005 est.	2006 est.
Burial allowance	75,731	81,254	82,033
Burial plot	62,152	63,769	65,581
Service-connected death	13,323	13,578	13,938
Burial flags	499,470	540,000	542,415
Headstone markers	355,054	341,000	343,000
Graveliners	54,579	43,648	39,038
Preplaced crypts	29,802	69,000	67,000

BURIAL ADMINISTRATION

For operating expenses for burial benefits, for administrative expenses of the National Cemetery Administration, and for cemeterial expenses, including purchase of one passenger motor vehicle, \$289,709,000; of which no more than \$32,000,000, to remain available until expended, is for grants to aid States in establishing, expanding, or improving State veterans cemeteries, as authorized by 38 U.S.C. 2408; and of which no more than \$90,300,000 for construction.

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-700	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
02.01 Administrative expenses	155	162	168
02.02 Construction, major projects	49	111	65
02.03 Construction, minor projects	14	35	25
02.04 Grants to states	34	36	32
10.00 Total new obligations	252	344	290
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	175	188	118
22.00 New budget authority (gross)	265	273	290
22.10 Resources available from recoveries of prior year obligations	1	1	

23.90	Total budgetary resources available for obligation	441	462	408
23.95	Total new obligations	-252	-344	-290
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year	188	118	118
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	267	275	290
40.35	Appropriation permanently reduced pursuant to P.L. 108-447	-2	-2	
43.00	Appropriation (total discretionary)	265	273	290
Change in obligated balances:				
72.40	Obligated balance, start of year	126	144	234
73.10	Total new obligations	252	344	290
73.20	Total outlays (gross)	-233	-253	-259
73.45	Recoveries of prior year obligations	-1	-1	
74.40	Obligated balance, end of year	144	234	265
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	160	151	157
86.93	Outlays from discretionary balances	73	102	102
87.00	Total outlays (gross)	233	253	259
Net budget authority and outlays:				
89.00	Budget authority	265	273	290
90.00	Outlays	233	253	259

This appropriation provides for the corporate leadership and support to VA's Burial business line and for 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 veterans 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. Additionally, funding is provided for capital asset investments.

Specific performance goals relating to the Burial business line are contained in VA's congressional budget. 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. 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 36-0129-0-1-700	2004 actual	2005 est.	2006 est.	
Personnel compensation:				
11.1	Full-time permanent	65	70	72
11.3	Other than full-time permanent	4	4	4
11.9	Total personnel compensation	69	74	76
12.1	Civilian personnel benefits	19	21	22
13.0	Benefits for former personnel	2	3	2
21.0	Travel and transportation of persons	2	3	3
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	1	1	1
23.3	Communications, utilities, and miscellaneous charges	5	5	6
25.2	Other services	43	40	42
26.0	Supplies and materials	7	7	8
31.0	Equipment	6	7	7

32.0	Land and structures	63	146	90
41.0	Grants, subsidies, and contributions	34	36	32
99.9	Total new obligations	252	344	290

Personnel Summary

Identification code 36-0129-0-1-700	2004 actual	2005 est.	2006 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	1,492	1,553	1,566

Public enterprise funds:

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4012-0-3-701	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
09.01	Capital investment	12	12	13
09.02	Death Claims	54	62	64
09.03	All Other	6	8	7
10.00	Total new obligations	72	82	84
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	9	5	5
22.00	New budget authority (gross)	68	82	84
23.90	Total budgetary resources available for obligation	77	87	89
23.95	Total new obligations	-72	-82	-84
24.40	Unobligated balance carried forward, end of year	5	5	5
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	68	82	84
Change in obligated balances:				
72.40	Obligated balance, start of year	9	10	10
73.10	Total new obligations	72	82	84
73.20	Total outlays (gross)	-71	-82	-84
74.40	Obligated balance, end of year	10	10	10
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	68	78	84
86.98	Outlays from mandatory balances	3	4	
87.00	Total outlays (gross)	71	82	84
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Insurance account	-25	-38	-37
88.40	Interest on loans	-3	-3	-3
88.40	Insurance premiums earned	-28	-30	-32
88.40	Repayments of loans	-11	-10	-11
88.40	Other income	-1	-1	-1
88.90	Total, offsetting collections (cash)	-68	-82	-84
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	3		

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

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.

Public enterprise funds—Continued

SERVICE-DISABLED VETERANS INSURANCE FUND—Continued

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

	2004 actual	2005 est.	2006 est.
Number of policies	165,651	175,944	183,047
Insurance in force (dollars in millions)	\$1,615	\$1,692	\$1,761

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 \$552 million by September 30, 2006.

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	2004 actual	2005 est.	2006 est.
33.0 Investments and loans	12	12	13
42.0 Insurance claims and indemnities	60	70	71
99.0 Reimbursable obligations	72	82	84
99.9 Total new obligations	72	82	84

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Death claims	38	41	41
09.02 Dividends	15	13	11
09.03 All other	7	7	8
09.04 Capital investment: policy loans	3	3	3
10.00 Total new obligations	63	64	63
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	409	391	368
22.00 New budget authority (gross)	45	41	37
23.90 Total budgetary resources available for obligation	454	432	405
23.95 Total new obligations	-63	-64	-63
24.40 Unobligated balance carried forward, end of year	391	368	342
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	45	41	37
Change in obligated balances:			
72.40 Obligated balance, start of year	51	52	51
73.10 Total new obligations	63	64	63
73.20 Total outlays (gross)	-63	-65	-63
74.40 Obligated balance, end of year	52	51	51
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	45	41	37
86.98 Outlays from mandatory balances	18	24	26
87.00 Total outlays (gross)	63	65	63
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-30	-27	-25
88.40 Interest on loans	-1	-1	-1

88.40	Insurance premiums earned	-9	-8	-7
88.40	Repayments of loans	-5	-5	-4
88.90	Total, offsetting collections (cash)	-45	-41	-37

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	18	24	26

Memorandum (non-add) entries:

92.01	Total investments, start of year: Federal securities:			
	Par value	460	442	418
92.02	Total investments, end of year: Federal securities:			
	Par value	442	418	393

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

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

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

POLICIES AND INSURANCE IN FORCE

	2004 actual	2005 est.	2006 est.
Number of policies	57,757	52,820	47,900
Insurance in force (dollars in millions)	\$523	\$485	\$448

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	2004 actual	2005 est.	2006 est.
33.0 Investments and loans	3	3	3
42.0 Insurance claims and indemnities	42	45	47
43.0 Interest and dividends	18	16	13
99.9 Total new obligations	63	64	63

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
09.01	Premium payments	532	543	541
09.02	Payments to carrier	13	100	
09.03	Payment to GOE	1	1	1
10.00	Total new obligations (object class 41.0)	546	644	542

Budgetary resources available for obligation:				
22.00	New budget authority (gross)	546	644	542
23.95	Total new obligations	- 546	- 644	- 542
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	546	644	542
Change in obligated balances:				
72.40	Obligated balance, start of year	5		
73.10	Total new obligations	546	644	542
73.20	Total outlays (gross)	- 551	- 644	- 542
74.40	Obligated balance, end of year			
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	546	644	542
86.98	Outlays from mandatory balances	5		
87.00	Total outlays (gross)	551	644	542
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay	- 546	- 644	- 542
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	5		
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities: Par value	5		
92.02	Total investments, end of year: Federal securities: Par value			

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.

Object Classification (in millions of dollars)

Identification code 36-4009-0-3-701	2004 actual	2005 est.	2006 est.
41.0 Grants, subsidies, and contributions	546	644	542
99.0 Reimbursable obligations	546	644	542

Credit accounts:

HOUSING 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, subchapters I through III, 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 2006, not to exceed \$500,000 in gross obligations for direct loans for specially adapted housing loans, 38 U.S.C. 3711(i): Provided further, That no new Native American housing loans in excess of \$30,000,000 may be made in 2006, including interest rate refinancing, 38 U.S.C. 3762(h).

For operating expenses associated with the housing program, as authorized by 38 U.S.C., chapter 37, \$156,675,500 to carry out the grant program and the direct and guaranteed loan programs, of which \$4,815,500 may be transferred to and merged with the appropriation, "General Administration", and of which no more than \$1,771,000 is available for construction: Provided, That of the amount provided for housing operating expenses, (1) \$750,000 is for administering the Transitional Housing program as authorized by 38 U.S.C. chapter 20, subchapter VI; and (2) \$579,500 is for administering the Native American housing program as authorized by 38 U.S.C. chapter 37, subchapter V, as amended.

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 2005, within the resources available, not to exceed \$500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.]

[In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$154,075,000, 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, 2005.*)

[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, \$571,000, which may be transferred to and merged with the appropriation for "General operating expenses": *Provided*, That no new loans in excess of \$50,000,000 may be made in fiscal year 2005.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.*)

[GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT]

[For the administrative expenses to carry out the guaranteed transitional housing loan program authorized by 38 U.S.C. chapter 37, subchapter VI, not to exceed \$750,000 of the amounts appropriated by this Act for "General operating expenses" and "Medical administration" may be expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.*)

Unavailable Receipts (in millions of dollars)

Identification code 36-1119-0-1-704	2004 actual	2005 est.	2006 est.
Appropriations:			
05.00 Housing program account	- 1	- 1,889	

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 36-1119-0-1-704	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	2,259	1,020	
0102 Negative subsidies/subsidy reestimates	3	187	229

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loan subsidy	3	22	37
00.02 Guaranteed loan subsidy	199	15	43
00.05 Reestimates of direct loan subsidy	1	1,066	
00.06 Interest on reestimates of the direct loan subsidy		604	
00.07 Reestimates of guaranteed loan subsidy		111	
00.08 Interest on reestimates of guaranteed loan subsidy		107	
00.09 Administrative expenses	155	154	155
00.91 Direct Program by Activities—Subtotal (1 level)	358	2,079	235
01.12 Construction, minor projects	3	2	2
10.00 Total new obligations	361	2,081	237

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	52	52	31
22.00 New budget authority (gross)	361	2,060	222
23.90 Total budgetary resources available for obligation	413	2,112	253
23.95 Total new obligations	- 361	- 2,081	- 237
24.40 Unobligated balance carried forward, end of year	52	31	16

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	158	157	157
40.35 Appropriation permanently reduced pursuant to H.R. 2673	- 1	- 1	
43.00 Appropriation (total discretionary)	157	156	157
Mandatory:			
60.00 Appropriation	203	15	65
60.20 Appropriation (special fund)	1	1,889	
62.50 Appropriation (total mandatory)	204	1,904	65

Credit accounts—Continued

HOUSING PROGRAM ACCOUNT—Continued

[GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT]—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-1119-0-1-704	2004 actual	2005 est.	2006 est.
70.00 Total new budget authority (gross)	361	2,060	222
Change in obligated balances:			
72.40 Obligated balance, start of year	32	19	50
73.10 Total new obligations	361	2,081	237
73.20 Total outlays (gross)	-374	-2,050	-216
74.40 Obligated balance, end of year	19	50	71
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	140	131	131
86.93 Outlays from discretionary balances	16	15	20
86.97 Outlays from new mandatory authority	204	1,904	65
86.98 Outlays from mandatory balances	14		
87.00 Total outlays (gross)	374	2,050	216
Net budget authority and outlays:			
89.00 Budget authority	361	2,060	222
90.00 Outlays	375	2,050	216

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

Identification code 36-1119-0-1-704	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Acquired Direct Loans	121	214	239
115002 Native American Direct Loans	6	2	2
115003 Transitional Housing Direct Loan		26	21
115004 Vendeo Direct Loans		699	1,434
115901 Total direct loan levels	127	941	1,696
Direct loan subsidy (in percent):			
132001 Acquired Direct Loans	0.86	-5.12	9.18
132002 Native American Direct Loan	0.28	-7.75	-13.79
132003 Transitional Housing Direct Loan	0.00	82.16	71.55
132004 Vendeo Direct Loans	0.86	-5.12	-5.64
132901 Weighted average subsidy rate	0.83	-2.71	-2.61
Direct loan subsidy budget authority:			
133001 Acquired Direct Loans	3	-47	22
133002 Native American Direct Loans			
133003 Transitional Housing Direct Loans		22	15
133004 Vendeo Direct Loans	-2		-81
133901 Total subsidy budget authority	1	-25	-44
Direct loan subsidy outlays:			
134001 Acquired Direct Loans	3	-47	22
134002 Native American Direct Loans			
134003 Transitional Housing Direct Loan		5	18
134004 Vendeo Direct Loans	-2		-81
134901 Total subsidy outlays	1	-42	-41
Direct loan upward reestimate subsidy budget authority:			
135001 Acquired Direct Loan		1,668	
135002 Native American Direct Loan	1	3	
135901 Total upward reestimate budget authority	1	1,671	
Direct loan downward reestimate subsidy budget authority:			
137001 Acquired Direct Loans	-222	-181	
137002 Native American Direct Loan	-1	-2	
137004 Vendeo Direct Loans		-19	
137901 Total downward reestimate budget authority	-223	-202	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Veterans Housing Benefit Program	35,315	43,802	46,173
215002 Guaranteed Loan Sale Securities	298	404	1,035
215901 Total loan guarantee levels	35,613	44,206	47,208
Guaranteed loan subsidy (in percent):			
232001 Veterans Housing Benefit Program	0.50	-0.32	-0.32

232002 Guaranteed Loan Sale Securities	5.65	3.69	4.12
232901 Weighted average subsidy rate	0.54	-0.28	-0.22
Guaranteed loan subsidy budget authority:			
233001 Veterans Housing Benefit Program	183	-140	-148
233002 Guaranteed Loan Sale Securities	17	15	43
233901 Total subsidy budget authority	200	-125	-105
Guaranteed loan subsidy outlays:			
234001 Veterans Housing Benefit Program	197	-140	-148
234002 Guaranteed Loan Sale Securities	17	15	43
234901 Total subsidy outlays	214	-125	-105
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Guaranteed Loan		4	
235002 Guaranteed Loan Sales		214	
235901 Total upward reestimate budget authority		218	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Veterans Housing Benefit Program	-1,878	-787	
237002 Guaranteed Loan Sale Securities	-159	-31	
237901 Total downward reestimate subsidy budget authority	-2,037	-818	
Administrative expense data:			
351001 Budget authority	157	156	157
359001 Outlays from new authority	157	147	131

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

Veterans housing benefit program fund program account.—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, an amount equal to 25 percent of the Freddie Mac conforming loan limit limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for a single family residence, as adjusted for the year involved.

Native American veterans housing loan program account.—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, 2008.

Guaranteed transitional housing loans for homeless veterans program account.—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. 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.

This appropriation provides for the corporate leadership and operational support to VA's housing business line. Additionally, funding is provided for capital asset investments.

The Housing program facilitates the extension of private capital, on more liberal terms than generally available to nonveterans, to: assist veterans and servicepersons in obtain-

ing housing credits; and assist veterans in retaining their homes during periods of temporary economic difficulty through intensive supplemental mortgage loan servicing.

WORKLOAD

(In thousands)

	2004 actual	2005 est.	2006 est.
Construction and valuation	219	210	200
Loan processing	628	600	580
Loan service and claims	349	340	320

Object Classification (in millions of dollars)

Identification code 36-1119-0-1-704	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	64	68	60
11.5 Other personnel compensation	10	11	11
11.9 Total personnel compensation	74	79	71
12.1 Civilian personnel benefits	19	21	19
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	7	10	11
23.2 Rental payments to others	2	1	1
23.3 Communications, utilities, and miscellaneous charges	7	4	4
25.2 Other services	40	34	43
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	2	2
32.0 Land and structures	3	2	2
41.0 Grants, subsidies, and contributions	203	1,924	80
99.9 Total new obligations	361	2,081	237

Personnel Summary

Identification code 36-1119-0-1-704	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,256	1,281	1,076

HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4127-0-3-704	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans	122	913	1,673
00.02 Interest on Treasury borrowing	214	182	202
00.03 Property sales expense	5	5	5
00.04 Property management/other expense	6	4	4
00.05 Property improvement expense .....	.....	2	2
00.91 Direct Program by Activities—Subtotal (1 level)	347	1,106	1,886
08.01 Payment of negative subsidy to receipt account	2	47	81
08.02 Payment of downward reestimate to receipt account	178	78	.....
08.04 Payment of excess interest earned to receipt account	43	122	.....
08.91 Direct Program by Activities—Subtotal (1 level)	223	247	81
10.00 Total new obligations	570	1,353	1,967
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	220	203	.....
22.00 New financing authority (gross)	553	1,150	1,967
23.90 Total budgetary resources available for obligation	773	1,353	1,967
23.95 Total new obligations	-570	-1,353	-1,967
24.40 Unobligated balance carried forward, end of year	203	.....	.....
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,111	-757	1,652
69.00 Offsetting collections (cash)	781	2,839	1,984
69.47 Portion applied to repay debt	-1,339	-932	-1,669
69.90 Spending authority from offsetting collections (total mandatory)	-558	1,907	315
70.00 Total new financing authority (gross)	553	1,150	1,967

Change in obligated balances:

72.40 Obligated balance, start of year	78	71	71
73.10 Total new obligations	570	1,353	1,967
73.20 Total financing disbursements (gross)	-577	-1,353	-1,991
74.40 Obligated balance, end of year	71	71	47
87.00 Total financing disbursements (gross)	577	1,353	1,991

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-3	-1,668	-22
88.00 Transfer of loan sales from LSSA	-297	-404	-1,034
88.00 Reimbursements from DLFA .....	.....	-98	-169
88.25 Interest on uninvested funds	-73	.....	.....
88.40 Repayments of principal	-282	-357	-408
88.40 Interest received on loans	-68	-88	-104
88.40 Fees .....	.....	-15	-31
88.40 Cash sale of properties	-56	-206	-213
88.40 Other	-2	-3	-3
88.90 Total, offsetting collections (cash)	-781	-2,839	-1,984

Net financing authority and financing disbursements:

89.00 Financing authority	-228	-1,689	-17
90.00 Financing disbursements	-204	-1,486	7

Status of Direct Loans (in millions of dollars)

Identification code 36-4127-0-3-704	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation	122	913	1,673
1150 Total direct loan obligations	122	913	1,673
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,567	1,032	1,118
1231 Disbursements: Direct loan disbursements	121	913	1,673
Repayments:			
1251 Repayments and prepayments	-282	-357	-408
1253 Proceeds from loan asset sales to the public with recourse	-297	-404	-1,035
1262 Adjustments: Discount on loan asset sales to the public or discounted .....	.....	.....	.....
Write-offs for default:			
1263 Direct loans	-5	-3	-4
1264 Other adjustments, Data Reconciliation	-72	-63	-50
1290 Outstanding, end of year	1,032	1,118	1,294

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	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	299	274
1106 Investments in US securities: Receivables, net .....	.....	2,208
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	1,567	1,032
1402 Interest receivable	28	19
1405 Other	1,217	-680
1499 Net present value of assets related to direct loans	2,812	371
1999 Total assets	3,111	2,853
LIABILITIES:		
Federal liabilities:		
2103 Debt	2,811	2,582
2105 Other	300	271

Credit accounts—Continued

HOUSING DIRECT LOAN FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 36-4127-0-3-704	2003 actual	2004 actual
2999 Total liabilities	3,111	2,853
4999 Total liabilities and net position	3,111	2,853

HOUSING GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4129-0-3-704	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Acquisition of homes	918	1,917	1,908
00.02 Losses on defaulted loans	284	594	591
00.03 Interest on Treasury borrowing	1	1	1
00.04 Reimburse DLFA for loan sales	298	404	1,035
00.05 Payment to trustee reserve	33	27	69
00.06 Reimburse Liquidating for subordination certificate	18	21	19
00.07 Loan Sale Closing Costs	16	22	56
00.09 Property sales expense	70	120	120
00.10 Property management expense	53	103	102
00.11 Property improvement expense	4	37	37
00.12 Loans acquired	123	210	236
00.91 Direct Program by Activities—Subtotal (1 level)	1,818	3,456	4,174
08.01 Payment of negative subsidy to receipt account		140	148
08.02 Payment of downward reestimate to receipt account	1,515	573	
08.04 Payment of excess interest to receipt account	522	246	
08.91 Direct Program by Activities—Subtotal (1 level)	2,037	959	148
10.00 Total new obligations	3,855	4,415	4,322

Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5,962	4,273	3,501
22.00 New financing authority (gross)	2,166	3,643	4,910
23.90 Total budgetary resources available for obligation	8,128	7,916	8,411
23.95 Total new obligations	-3,855	-4,415	-4,322
24.40 Unobligated balance carried forward, end of year	4,273	3,501	4,089

New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	2,183	3,643	4,910
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-8		
69.47 Portion applied to repay debt	-9		
69.90 Spending authority from offsetting collections (total mandatory)	2,166	3,643	4,910

Change in obligated balances:			
72.40 Obligated balance, start of year	20	21	22
73.10 Total new obligations	3,855	4,415	4,322
73.20 Total financing disbursements (gross)	-3,862	-4,414	-4,326
74.00 Change in uncollected customer payments from Federal sources (unexpired)	8		
74.40 Obligated balance, end of year	21	22	18
87.00 Total financing disbursements (gross)	3,862	4,414	4,326

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-214	-233	-43
88.00 Recoveries from DLFA	-123	-888	-1,653
88.25 Interest on uninvested funds	-257	-210	-211
88.40 Funding fees	-482	-777	-822
88.40 Cash sale of properties	-762	-1,095	-1,090
88.40 Refunds from Trust	-31	-11	-28
88.40 Redemption of properties and other	-6		
88.40 Subordinate Certificate Deposits		-21	-19
88.45 Loan sale proceeds	-308	-408	-1,044
88.90 Total, offsetting collections (cash)	-2,183	-3,643	-4,910

Against gross financing authority only:			
88.95 Change in receivables from program accounts	8		
Net financing authority and financing disbursements:			
89.00 Financing authority	-9		
90.00 Financing disbursements	1,679	771	-584

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4129-0-3-704	2004 actual	2005 est.	2006 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	35,315	43,802	46,173
2132 Guaranteed loan commitments for loan asset sales with recourse	298	404	1,035
2150 Total guaranteed loan commitments	35,613	44,206	47,208
2199 Guaranteed amount of guaranteed loan commitments	11,632	14,462	15,854
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	318,222	347,251	383,675
2231 Disbursements of new guaranteed loans	35,315	43,802	46,173
2232 Guarantees of loans sold to the public with recourse	149	404	1,035
2251 Repayments and prepayments	-5,078	-5,034	-5,538
Adjustments:			
2261 Terminations for default that result in loans receivable	-283	-594	-592
2262 Terminations for default that result in acquisition of property	-918	-1,917	-1,908
2263 Terminations for default that result in claim payments	-156	-237	-305
2264 Other adjustments, net			
2290 Outstanding, end of year	347,251	383,675	422,540
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	116,355	127,668	140,094

Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	841	1,071	1,482
2331 Disbursements for guaranteed loan claims	283	594	592
2351 Repayments of loans receivable	-52	-66	-92
2361 Write-offs of loans receivable	-79	-117	-146
2364 Other adjustments, net	78		
2390 Outstanding, end of year	1,071	1,482	1,836

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

Balance Sheet (in millions of dollars)

Identification code 36-4129-0-3-704	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	5,733	4,276
Investments in US securities:		
1106 Receivables, net	87	296
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501 Defaulted guaranteed loans receivable, gross	840	1,071
1504 Accounts receivable from foreclosed property	5	4
1505 Other Assets (LSSA Cash)		19
1599 Net present value of assets related to defaulted guaranteed loans	845	1,094
1999 Total assets	6,665	5,666
LIABILITIES:		
Federal liabilities:		
2103 Debt		6

2105	Other liabilities	1,959	1,158
	Non-Federal liabilities:		
2201	Accounts payable	27	17
2204	Non-federal liabilities for loan guarantees	4,679	4,485
2999	Total liabilities	6,665	5,666
4999	Total liabilities and net position	6,665	5,666

HOUSING LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4025-0-3-704	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
00.01	Acquisition of homes	21	17	14
00.04	Acquisition of defaulted guaranteed loans	5	4	3
00.05	Repurchase of loans sold	2	2	2
00.91	Total capital investments	28	23	19
01.00	Total capital investments	28	23	19
01.02	Property management expense	4	3	3
01.03	Sales expense	6	6	5
01.04	Claims processed	-7	-6	-6
01.05	Other operating expenses	1	1	1
01.91	Total operating expenses	4	4	3
10.00	Total new obligations (object class 33.0)	32	27	22
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	28	28	
22.00	New budget authority (gross)	60	27	22
22.40	Capital transfer to general fund	-28	-28	
23.90	Total budgetary resources available for obligation	60	27	22
23.95	Total new obligations	-32	-27	-22
24.40	Unobligated balance carried forward, end of year	28		
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	125	82	64
69.10	Change in uncollected customer payments from Federal sources (unexpired)	-25		
69.27	Capital transfer to general fund	-40	-55	-42
69.90	Spending authority from offsetting collections (total mandatory)	60	27	22
Change in obligated balances:				
72.40	Obligated balance, start of year	-23	2	
73.10	Total new obligations	32	27	22
73.20	Total outlays (gross)	-33	-29	-22
74.00	Change in uncollected customer payments from Federal sources (unexpired)	25		
74.40	Obligated balance, end of year	2		
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	10	27	22
86.98	Outlays from mandatory balances	23	2	
87.00	Total outlays (gross)	33	29	22
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Payments from direct loan financing account	-46	-15	-11
88.40	Loan and other repayments	-27	-20	-15
88.40	Sale of homes, cash	-34	-31	-24
88.40	Interest on loans	-15	-13	-12
88.40	Other revenues	-3	-3	-2
88.90	Total, offsetting collections (cash)	-125	-82	-64
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	25		
Net budget authority and outlays:				
89.00	Budget authority	-40	-55	-42
90.00	Outlays	-93	-53	-42

Status of Direct Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2004 actual	2005 est.	2006 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	113	79	56
1232	Disbursements: Purchase of loans assets from the public	2	2	2
1251	Repayments: Repayments and prepayments	-27	-20	-15
Write-offs for default:				
1263	Direct loans	-8	-5	-4
1264	Other adjustments, net ¹	-1		
1290	Outstanding, end of year	79	56	39

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2004 actual	2005 est.	2006 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	4,908	3,601	2,640
2251	Repayments and prepayments	-1,290	-946	-694
Adjustments:				
2261	Terminations for default that result in loans receivable	-4	-4	-3
2262	Terminations for default that result in acquisition of property	-20	-17	-14
2263	Terminations for default that result in claim payments	7	6	6
2290	Outstanding, end of year	3,601	2,640	1,935
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,629	1,194	875
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	284	285	286
2331	Disbursements for guaranteed loan claims	5	4	3
2361	Write-offs of loans receivable	-4	-3	-2
2390	Outstanding, end of year	285	286	287

Balance Sheet (in millions of dollars)

Identification code 36-4025-0-3-704	2003 actual	2004 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	5	28
Investments in US securities:			
1106	Receivables, net	27	5
1201	Non-Federal assets: Investments in non-Federal securities, net	191	186
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	184	84
1402	Interest receivable	5	4
1405	Other		-2
1499	Net present value of assets related to direct loans	189	86
1602	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Interest receivable		66
1999	Total assets	412	371
LIABILITIES:			
2103	Federal liabilities: Debt	405	364
2207	Non-Federal liabilities: Other	7	7
2999	Total liabilities	412	371
4999	Total liabilities and net position	412	371

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.

Credit accounts—Continued

NATIVE AMERICAN AND TRANSITIONAL HOUSING DIRECT LOAN
FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4130-0-3-704	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans ¹	6	29	23
00.03 Interest on Treasury borrowing	4	1	2
00.91 Direct Program by Activities—Subtotal	10	30	25
08.02 Payment of downward reestimate to receipt account	1	2	
10.00 Total new obligations	11	32	25
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	11	32	25
23.95 Total new obligations	-11	-32	-25
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	55	22	5
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	8	10	20
68.47 Portion applied to repay debt	-52		
68.90 Spending authority from offsetting collections (total discretionary)	-44	10	20
70.00 Total new financing authority (gross)	11	32	25
Change in obligated balances:			
72.40 Obligated balance, start of year			20
73.10 Total new obligations	11	32	25
73.20 Total financing disbursements (gross)	-11	-12	-28
74.40 Obligated balance, end of year		20	17
87.00 Total financing disbursements (gross)	11	12	28
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Reimbursements from NADL	-2	-8	-18
88.25 Interest on uninvested funds	-3		
88.40 Non-federal sources—Repayments and prepayments of principal	-2		
88.40 Non-federal sources—Interest received on loans	-1	-2	-2
88.40 Cash sale of property			
88.90 Total, offsetting collections (cash)	-8	-10	-20
Net financing authority and financing disbursements:			
89.00 Financing authority	3	22	5
90.00 Financing disbursements	3	2	8

Status of Direct Loans (in millions of dollars)

Identification code 36-4130-0-3-704	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans		50	30
1121 Limitation available from carry-forward	100	100	73
1121 Limitation available from carry-forward	2	2	2
1131 Direct loan obligations exempt from limitation	6		
1142 Unobligated direct loan limitation (-)		-48	-28
1143 Unobligated limitation carried forward (P.L. 105-368)	-100	-73	-52
1143 Unobligated limitation carried forward (P.L. 102-389) (-)	-2	-2	-2
1150 Total direct loan obligations		27	21
1150 Total direct loan obligations	6	2	2
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	25	23	32
1231 Disbursements: Direct loan disbursements	6	9	26
1251 Repayments: Repayments and prepayments	-1		
1264 Write-offs for default: Data Reconciliation	-7		
1290 Outstanding, end of year	23	32	58

Balance Sheet (in millions of dollars)

Identification code 36-4130-0-3-704	2003 actual	2004 actual
ASSETS:		
Investments in US securities:		
1106 Federal assets: Receivables, net	1	3
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	25	22
1499 Net present value of assets related to direct loans	25	22
1901 Other Federal assets: Other assets	1	5
1999 Total assets	27	30
LIABILITIES:		
Federal liabilities:		
2103 Federal liabilities debt	25	28
2105 Other liabilities	2	2
2999 Total liabilities	27	30
4999 Total liabilities and net position	27	30

This account contains information on the Native American Veterans Housing Loan program and the Guaranteed Transitional Housing Loans for Homeless Veterans program. The Transitional Housing loans are 100% guaranteed and use the Federal Financing Bank (FFB) as the lending institution. For budget purposes, all FFB loans shall be treated as direct loans.

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 the account are means of financing and are not included in the budget totals.

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4259-0-3-702	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans	3	4	4
10.00 Total new obligations	3	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	1	1
22.00 New financing authority (gross)	3	4	4
22.60 Portion applied to repay debt	-3		
23.90 Total budgetary resources available for obligation	4	5	5
23.95 Total new obligations	-3	-4	-4
24.40 Unobligated balance carried forward, end of year	1	1	1
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow (indefinite)	3	4	4
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	3	4	4
68.47 Portion applied to repay debt	-3	-4	-4
68.90 Spending authority from offsetting collections (total discretionary)			
70.00 Total new financing authority (gross)	3	4	4
Change in obligated balances:			
73.10 Total new obligations	3	4	4
73.20 Total financing disbursements (gross)	-3	-4	-4
87.00 Total financing disbursements (gross)	3	4	4

Offsets:
Against gross financing authority and financing disbursements:

88.40	Offsetting collections (cash) from: Repayments and prepayments of principal	— 3	— 4	— 4
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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	2004 actual	2005 est.	2006 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	3	4	4
1150	Total direct loan obligations	3	4	4
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1	1	1
1231	Disbursements: Direct loan disbursements	3	4	4
1251	Repayments: Repayments and prepayments (-)	- 3	- 4	- 4
1290	Outstanding, end of year	1	1	1

Balance Sheet (in millions of dollars)

Identification code 36-4259-0-3-702	2003 actual	2004 actual	
ASSETS:			
Investments in US securities:			
1106	Federal assets: Fund assets: Fund Balance with Treasury	4	1
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	1	1
1499	Net present value of assets related to direct loans	1	1
1999	Total assets	5	2
LIABILITIES:			
2103	Federal liabilities: Debt	5	2
2999	Total liabilities	5	2
4999	Total liabilities and net position	5	2

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Unavailable Receipts (in millions of dollars)

Identification code 36-8133-0-7-702	2004 actual	2005 est.	2006 est.	
01.99	Balance, start of year	1	1	1
Receipts:				
02.20	Deductions from military pay, Post-Vietnam era veterans education	1		
02.40	Contributions, Post-Vietnam era veterans education account		1	1
02.99	Total receipts and collections	1	1	1
04.00	Total: Balances and collections	2	2	2
Appropriations:				
05.00	Post-Vietnam era veterans education account	- 1	- 1	- 1
07.99	Balance, end of year	1	1	1

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
00.01	Payment to post-Vietnam era trainees	1	1	8
00.03	Participant disenrollments	2	2	2
10.00	Total new obligations	3	3	10

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	76	73	71
22.00	New budget authority (gross)	1	1	1
23.90	Total budgetary resources available for obligation	77	74	72
23.95	Total new obligations	- 3	- 3	- 10
24.40	Unobligated balance carried forward, end of year	73	71	62

New budget authority (gross), detail:

Mandatory:				
60.26	Appropriation (trust fund)	1	1	1

Change in obligated balances:

72.40	Obligated balance, start of year	1	1	1
73.10	Total new obligations	3	3	10
73.20	Total outlays (gross)	- 4	- 3	- 9
74.40	Obligated balance, end of year	1	1	2

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	1	1	1
86.98	Outlays from mandatory balances	3	2	8
87.00	Total outlays (gross)	4	3	9

Net budget authority and outlays:

89.00	Budget authority	1	1	1
90.00	Outlays	4	3	9

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

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

[In millions of dollars]

	2004 actual	2005 est.	2006 est.
Total budget authority	\$1	\$1	\$1
Servicepersons contributions	\$1	\$0	\$0
Transferred from Department of Defense (bonus)	\$0	\$1	\$1
Transferred from Department of Defense (matching)	\$0	\$0	\$0
Transferred from Department of Defense (section 901)	\$0	\$0	\$0
Total participants (end of year)	197,774	195,738	193,257
Total contributors (end of year)	382	264	269
Average contribution per contributor (actual dollars)	\$1,832	\$989	\$923
Number of disenrollments	1,853	1,600	1,400
Total refunds	\$3	\$3	\$9
Total trainees	796	712	1,335
Total trainee cost	\$1	\$1	\$1
Average cost per trainee (actual dollars)	\$1,312	\$1,360	\$1,335
Section 901 trainees	32	30	28

Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702	2004 actual	2005 est.	2006 est.	
41.0	Grants, subsidies, and contributions	1	1	8
44.0	Refunds	2	2	2
99.9	Total new obligations	3	3	10

NATIONAL SERVICE LIFE INSURANCE FUND

Unavailable Receipts (in millions of dollars)

Identification code 36-8132-0-7-701	2004 actual	2005 est.	2006 est.	
01.99	Balance, start of year	9,795	9,492	9,100
Receipts:				
02.20	NSLI fund, Premium and other receipts	204	176	163

NATIONAL SERVICE LIFE INSURANCE FUND—Continued

Unavailable Receipts (in millions of dollars)—Continued

Identification code 36-8132-0-7-701	2004 actual	2005 est.	2006 est.
02.40 NSLI fund, Interest	730	672	621
02.41 NSLI fund, Payments from general and special funds	1	1	1
02.99 Total receipts and collections	935	849	785
04.00 Total: Balances and collections	10,730	10,341	9,885
Appropriations:			
05.00 National service life insurance fund	-934	-852	-785
05.01 National service life insurance fund	-304	-389	-461
05.99 Total appropriations	-1,238	-1,241	-1,246
07.99 Balance, end of year	9,492	9,100	8,639

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Death claims	675	698	714
00.02 Disability claims	11	10	9
00.03 Matured endowments	7	8	11
00.04 Cash surrenders	28	27	27
00.05 Dividends	305	262	232
00.06 Interest paid on dividend credits and deposits	59	56	55
00.07 Payment to Insurance account	22	23	23
00.91 Total operating expenses	1,107	1,084	1,071
02.01 Capital investment: Policy loans	64	65	65
02.93 Total direct obligations	1,171	1,149	1,136
09.01 Death claims	264	271	273
09.02 Disability Claims	4	4	4
09.03 Matured Endowments	3	3	4
09.04 Cash Surrenders	11	11	10
09.05 Dividends	119	101	89
09.06 Interest paid on dividend credits and deposits	23	22	20
09.07 Payment to Insurance account	8	9	9
09.09 Reimbursable program	432	421	409
10.00 Total new obligations	1,603	1,570	1,545
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			1
22.00 New budget authority (gross)	1,603	1,571	1,546
23.90 Total budgetary resources available for obligation	1,603	1,571	1,547
23.95 Total new obligations	-1,603	-1,570	-1,545
24.40 Unobligated balance carried forward, end of year		1	2
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	934	852	785
69.00 Offsetting collections (cash)	365	330	300
69.26 From offsetting collections (unavailable balances)	304	389	461
69.90 Spending authority from offsetting collections (total mandatory)	669	719	761
70.00 Total new budget authority (gross)	1,603	1,571	1,546
Change in obligated balances:			
72.40 Obligated balance, start of year	1,461	1,469	1,463
73.10 Total new obligations	1,603	1,570	1,545
73.20 Total outlays (gross)	-1,595	-1,576	-1,562
74.40 Obligated balance, end of year	1,469	1,463	1,446
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,299	1,182	1,085
86.98 Outlays from mandatory balances	296	394	477
87.00 Total outlays (gross)	1,595	1,576	1,562
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Repayments of loans	-112	-105	-97

88.40	Optional settlements	-2	-2	-3
88.40	Net income offsets adjustments	-251	-223	-200
88.90	Total, offsetting collections (cash)	-365	-330	-300

Net budget authority and outlays:

89.00	Budget authority	1,238	1,241	1,246
90.00	Outlays	1,231	1,246	1,262

Memorandum (non-add) entries:

92.01	Total investments, start of year: Federal securities:			
	Par value	11,246	10,949	10,554
92.02	Total investments, end of year: Federal securities:			
	Par value	10,949	10,554	10,078

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

POLICIES AND INSURANCE IN FORCE

	2004 actual	2005 est.	2006 est.
Number of policies	1,300,404	1,198,010	1,097,110
Insurance in force (dollars in millions)	\$14,013	\$13,112	\$12,215

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 \$11,157 million as of September 30, 2005 to \$10,631 million as of September 30, 2006. The actuarial estimate of policy obligations as of September 30, 2006, totals \$10,401 million, leaving a balance of \$230 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	2004 actual	2005 est.	2006 est.	
Balance, start of year:				
0100	Uninvested balance	11,256	10,961	10,564
0199	Total balance, start of year	11,256	10,961	10,564
Cash income during the year:				
Current law:				
Offsetting receipts (proprietary):				
1220	NSLI fund, premium and other receipts	204	176	163
Offsetting receipts (intragovernmental):				
1240	NSLI fund, interest	730	672	621
1241	NSLI fund, payments from general and special funds	1	1	1
Offsetting collections:				
1280	NSLI fund, offsetting collections	251	223	200
1281	Offsetting collections	2	2	3
1282	Offsetting collections	112	105	97
1299	Income under present law	1,300	1,179	1,085
3299	Total cash income	1,300	1,179	1,085
Cash outgo during year:				
Current law:				
4500	National service life insurance fund	-1,595	-1,576	-1,562
4599	Outgo under current law (-)	-1,595	-1,576	-1,562
6599	Total cash outgo (-)	-1,595	-1,576	-1,562
Unexpended balance, end of year:				
8799	Total balance, end of year	10,961	10,564	10,087

Object Classification (in millions of dollars)			
Identification code 36-8132-0-7-701	2004 actual	2005 est.	2006 est.
Direct obligations:			
33.0 Investments and loans	64	65	65
42.0 Insurance claims and indemnities	721	743	761
43.0 Interest and dividends	386	341	310
99.0 Direct obligations	1,171	1,149	1,136
99.0 Reimbursable obligations	432	421	409
99.9 Total new obligations	1,603	1,570	1,545

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Unavailable Receipts (in millions of dollars)			
Identification code 36-8150-0-7-701	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	39	34	29
Receipts:			
02.40 Interest and profits on investments in public debt securities, U	3	3	3
04.00 Total: Balances and collections	42	37	32
Appropriations:			
05.00 United States Government life insurance fund	-5	-5	-4
05.01 United States Government life insurance fund	-3	-3	-3
05.99 Total appropriations	-8	-8	-7
07.99 Balance, end of year	34	29	25

Program and Financing (in millions of dollars)			
Identification code 36-8150-0-7-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Death claims	4	4	4
00.06 Interest paid on dividend credits and deposits	1	1	1
00.07 Other Costs	1	1	1
09.01 Death Claims	1	1	1
09.02 Dividends	2	2	2
09.09 Reimbursable program	3	3	3
10.00 Total new obligations	9	9	9

Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	9	7
23.95 Total new obligations	-9	-9	-9

New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	3	3	3
69.00 Offsetting collections (cash)	1	1	1
69.26 Offsetting collections (previously unavailable)	5	5	4
69.90 Spending authority from offsetting collections (total mandatory)	6	6	4
70.00 Total new budget authority (gross)	9	9	7

Change in obligated balances:			
72.40 Obligated balance, start of year	17	16	15
73.10 Total new obligations	9	9	9
73.20 Total outlays (gross)	-10	-10	-9
74.40 Obligated balance, end of year	16	15	15

Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	4	4	3
86.98 Outlays from mandatory balances	6	6	6
87.00 Total outlays (gross)	10	10	9

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

Net budget authority and outlays:			
89.00 Budget authority	8	8	7

90.00 Outlays	9	9	9
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Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	56	50	44
92.02 Total investments, end of year: Federal securities:			
Par value	50	44	44

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

	2004 actual	2005 est.	2006 est.
Number of policies	10,390	9,040	7,760
Insurance in force (dollars in millions)	\$33	\$28	\$24

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 \$46 million as of September 30, 2005, to \$44 million as of September 30, 2006, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2006, totals \$40 million, leaving a balance of \$1 million for contingency reserves.

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

Status of Funds (in millions of dollars)

Identification code 36-8150-0-7-701	2004 actual	2005 est.	2006 est.
Balance, start of year:			
0100 Uninvested balance	56	50	44
0199 Total balance, start of year	56	50	44
Cash income during the year:			
Current law:			
Offsetting receipts (intragovernmental):			
1240 Interest and profits on investments in public debt securities, USGLI, VA	3	3	3
Offsetting collections:			
1280 Offsetting collections, USGLI	1	1	.....
1299 Income under present law	4	4	3
3299 Total cash income	4	4	3
Cash outgo during year:			
Current law:			
4500 United States government life insurance fund	-10	-10	-9
4599 Outgo under current law (-)	-10	-10	-9
6599 Total cash outgo (-)	-10	-10	-9
Unexpended balance, end of year:			
8799 Total balance, end of year	50	44	38

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	2004 actual	2005 est.	2006 est.
Direct obligations:			
42.0 Insurance claims and indemnities	4	4	4
43.0 Interest and dividends	2	2	2
99.0 Direct obligations	6	6	6
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	9	9	9

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Death claims	67	76	84
09.02 Cash surrenders	4	4	4
09.03 Dividends	84	81	77
09.04 All other	38	27	30
09.05 Payments to Insurance account	5	6	6
09.06 Capital investment	14	14	14
10.00 Total new obligations	212	208	215
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,540	1,556	1,569
22.00 New budget authority (gross)	228	221	216
23.90 Total budgetary resources available for obligation	1,768	1,777	1,785
23.95 Total new obligations	-212	-208	-215
24.40 Unobligated balance carried forward, end of year	1,556	1,569	1,570
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	228	221	216
Change in obligated balances:			
72.40 Obligated balance, start of year	312	333	346
73.10 Total new obligations	212	208	215
73.20 Total outlays (gross)	-191	-195	-203
74.40 Obligated balance, end of year	333	346	358
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	170	191	200
86.98 Outlays from mandatory balances	21	4	3
87.00 Total outlays (gross)	191	195	203
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-141	-139	-136
88.40 Interest on loans	-5	-5	-5
88.40 Insurance premiums earned	-63	-60	-58
88.40 Repayments of loans	-19	-17	-17
88.90 Total, offsetting collections (cash)	-228	-221	-216
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-37	-26	-13
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	1,850	1,888	1,914
92.02 Total investments, end of year: Federal securities:			
Par value	1,888	1,914	1,926

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 cov-

erage 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

	2004 actual	2005 est.	2006 est.
Number of policies	213,454	206,130	198,180
Insurance in force (dollars in millions)	\$2,525	\$2,466	\$2,404

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

Operating results and financial condition.—Lower than expected death rates 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	2004 actual	2005 est.	2006 est.
33.0 Investments and loans	14	14	14
42.0 Insurance claims and indemnities	90	91	97
43.0 Interest and dividends	108	103	104
99.9 Total new obligations	212	208	215

DEPARTMENTAL ADMINISTRATION

[GENERAL OPERATING EXPENSES] GENERAL ADMINISTRATION

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of department-wide capital planning, management and policy activities, [uniforms or allowances therefor;] not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles;], and reimbursement of the General Services Administration for security guard services[, and the Department of Defense for the cost of overseas employee mail, \$1,324,753,000: *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 the Veterans Benefits Administration shall be funded at not less than \$1,027,193,000: *Provided further*, That of the funds made available under this heading, not to exceed \$66,000,000 shall be available for obligation until September 30, 2006: *Provided further*, That from the funds made available under this heading, the Veterans Benefits Administration may purchase up to two passenger motor vehicles for use in operations of that Administration in Manila, Philippines]. \$330,466,000, including no more than \$5,577,000 for construction. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.*)

[For an additional amount for "General operating expenses", for expenses related to recent natural disasters, \$545,000, to remain available until September 30, 2005: *Provided*, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (*Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.*)

[CONSTRUCTION, MAJOR PROJECTS]

[For constructing, altering, extending and improving any of the facilities including parking projects under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 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 more than the amount set forth in 38 U.S.C. 8104(a)(3)(A) or where funds for a project were made available in a previous major project appropriation, \$458,800,000, to remain available until expended, of which \$370,709,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which \$8,091,000 shall be to make reimbursements as provided in 41 U.S.C. 612 for claims paid for contract disputes: *Provided*, That except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other capital asset management related activities, such as portfolio development and management activities, and investment strategy studies funded through the advance planning fund and the planning and design activities funded through the design fund and CARES funds, including needs assessments which may or may not lead to capital investments, none of the funds appropriated under this heading shall be used for any project which has not been approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year 2005, for each approved project (except those for CARES activities referenced above) shall be obligated: (1) by the awarding of a construction documents contract by September 30, 2005; and (2) by the awarding of a construction contract by September 30, 2006: *Provided further*, That the Secretary of Veterans Affairs 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. *](Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)*

【CONSTRUCTION, MINOR PROJECTS】

【For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction or for the use of the Department of Veterans Affairs, including planning and assessments of needs which may lead to capital investments, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, 8122, and 8162 of title 38, United States Code, where the estimated cost of a project is equal to or less than the amount set forth in 38 U.S.C. 8104(a)(3)(A), \$230,779,000, to remain available until expended, along with unobligated balances of previous “Construction, minor projects” appropriations which are hereby made available for any project where the estimated cost is equal to or less than the amount set forth in 38 U.S.C. 8104(a)(3)(A), of which \$182,100,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities: *Provided*, That from amounts appropriated under this heading, additional amounts may be used for CARES activities upon notification of and approval by the Committees on Appropriations: *Provided further*, 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, 2005.)*

【For an additional amount for “Construction, minor projects”, for expenses related to recent natural disasters, \$36,343,000, to remain available until expended: *Provided*, That the amounts provided herein are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287. *](Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)*

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-700	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.11 General administration	275	309	324
00.12 Major Construction		4	2
00.30 Minor Construction	5	5	4

01.00 Total Direct Program	280	318	330
09.04 Other reimbursable programs	251	304	347
09.99 Total reimbursable program	251	304	347
10.00 Total new obligations	531	622	677
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	80	17	
22.00 New budget authority (gross)	531	605	677
22.21 Unobligated balance of FY 2003 emergency supp transferred to Compensation	-63		
22.30 Expired unobligated balance transfer to unexpired account	3		
23.90 Total budgetary resources available for obligation	551	622	677
23.95 Total new obligations	-531	-622	-677
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance carried forward, end of year	17		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	282	303	330
40.35 Appropriation permanently reduced pursuant to P.L. 108-7	-2		
40.35 Appropriation permanently reduced pursuant to P.L. 108-447		-2	
43.00 Appropriation (total discretionary)	280	301	330
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	251	304	347
70.00 Total new budget authority (gross)	531	605	677
Change in obligated balances:			
72.40 Obligated balance, start of year	180	186	212
73.10 Total new obligations	531	622	677
73.20 Total outlays (gross)	-522	-596	-666
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	186	212	223
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	352	543	611
86.93 Outlays from discretionary balances	170	53	55
87.00 Total outlays (gross)	522	596	666
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-251	-304	-347
Net budget authority and outlays:			
89.00 Budget authority	280	301	330
90.00 Outlays	271	292	319

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

This appropriation provides for the Department’s top management direction and administrative support, including data processing, fiscal, personnel, and legal services.

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

Additionally, funding is provided for capital asset investments.

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

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-700	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	155	175	183

【CONSTRUCTION, MINOR PROJECTS】—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-0151-0-1-700	2004 actual	2005 est.	2006 est.
11.5 Other personnel compensation	6	8	7
11.9 Total personnel compensation	161	183	190
12.1 Civilian personnel benefits	37	43	44
21.0 Employee travel	4	4	5
23.1 Rental payments to GSA	17	18	21
23.3 Communications, utilities, and miscellaneous charges	3	3	3
24.0 Printing and reproduction	1	1	1
25.2 Other services	44	52	53
26.0 Supplies and materials	3	2	3
31.0 Equipment	5	3	4
32.0 Land and structures	5	9	6
99.0 Direct obligations	280	318	330
99.0 Reimbursable obligations	251	304	347
99.9 Total new obligations	531	622	677

Personnel Summary

Identification code 36-0151-0-1-700	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment ¹	1,939	2,073	2,107
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	492	623	675

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

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, **【\$69,711,000, to remain available until September 30, 2006】 \$70,906,000, of which not to exceed \$732,000 is for construction. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)**

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
01.01 Direct program	64	71	70
01.03 Construction, minor projects		1	1
01.92 Total direct program	64	72	71
09.01 Reimbursable program	3	3	3
10.00 Total new obligations	67	75	74
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	2	
22.00 New budget authority (gross)	65	73	74
23.90 Total budgetary resources available for obligation	69	75	74
23.95 Total new obligations	-67	-75	-74
24.40 Unobligated balance carried forward, end of year	2		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	62	71	71
40.35 Appropriation permanently reduced		-1	
43.00 Appropriation (total discretionary)	62	70	71
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	3	3
70.00 Total new budget authority (gross)	65	73	74

Change in obligated balances:

72.40 Obligated balance, start of year	10	14	19
73.10 Total new obligations	67	75	74
73.20 Total outlays (gross)	-62	-70	-72
73.40 Adjustments in expired accounts (net)	-1		

74.40 Obligated balance, end of year	14	19	21
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Outlays (gross), detail:

86.90 Outlays from new discretionary authority	52	60	61
86.93 Outlays from discretionary balances	10	10	11
87.00 Total outlays (gross)	62	70	72

Offsets:

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

Net budget authority and outlays:

89.00 Budget authority	62	70	71
90.00 Outlays	59	67	69

This appropriation provides Department-wide audit, investigation, and health care 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 criminal activity, 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 criminal and administrative investigations of improper and illegal activities involving VA programs, personnel, beneficiaries, and other third parties. The health care inspection function performs legislatively mandated medical care quality assurance reviews and oversight. The support function provides office administration.

Additionally, funding is provided for capital asset investments.

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	38	42	43
12.1 Civilian personnel benefits	10	12	11
21.0 Employee Travel	4	4	4
23.1 Rental payments to GSA	3	4	4
25.2 Other services	5	8	7
31.0 Equipment	3	1	1
32.0 Land and structures	1	1	1
99.0 Direct obligations	64	72	71
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	67	75	74

Personnel Summary

Identification code 36-0170-0-1-705	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	409	443	443
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	25	25	25

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Reimbursable program-COGS-Merchandizing	2,018	2,238	2,492
09.02 Reimbursable program-Other-Operations	76	87	82
09.03 Reimbursable program-COGS-Printing and Publications	8	8	8
09.04 Reimbursable program-Other	2	2	2
09.05 Reimbursable program-Equipment-Procurement Services and Distribution	3	3	3
10.00 Total new obligations	2,107	2,338	2,587

Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	478	278	278
22.00	New budget authority (gross)	1,907	2,338	2,587
23.90	Total budgetary resources available for obligation	2,385	2,616	2,865
23.95	Total new obligations	-2,107	-2,338	-2,587
24.40	Unobligated balance carried forward, end of year	278	278	278
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	1,805	2,338	2,587
69.10	Change in uncollected customer payments from Federal sources (unexpired)	102		
69.90	Spending authority from offsetting collections (total mandatory)	1,907	2,338	2,587
Change in obligated balances:				
72.40	Obligated balance, start of year	298	643	643
73.10	Total new obligations	2,107	2,338	2,587
73.20	Total outlays (gross)	-1,659	-2,338	-2,587
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-102		
74.40	Obligated balance, end of year	643	643	643
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	1,659	2,338	2,587
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1,805	-2,338	-2,587
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-102		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-146		

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 2006, Supply Fund sales are estimated to reach \$1.01 billion. Average inventory needed to support those sales will be \$35 million.

Operating results.—The Fund operated at a profit of \$17.8 million in 2004. The new total of retained earnings is \$97 million. Operating expense as related to sales was 6 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705				
		2004 actual	2005 est.	2006 est.
Personnel compensation:				
11.1	Full-time permanent	30	33	33
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	31	34	34
12.1	Civilian personnel benefits	7	7	7
21.0	Travel and transportation of persons	4	5	5
22.0	Transportation of things	5	5	5
23.1	Rental payments to GSA	2	2	2
23.3	Communications, utilities, and miscellaneous charges	2	3	3
24.0	Printing and reproduction	8	8	8
25.1	Advisory and assistance services	1,032	1,126	1,215

26.0	Supplies and materials	530	598	675
31.0	Equipment	486	550	633
99.9	Total new obligations	2,107	2,338	2,587

Personnel Summary

Identification code 36-4537-0-4-705				
		2004 actual	2005 est.	2006 est.
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	421	451	451

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705				
		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
09.01	Reimbursable program	232	332	369
10.00	Total new obligations	232	332	369
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	73	76	76
22.00	New budget authority (gross)	235	332	369
23.90	Total budgetary resources available for obligation	308	408	445
23.95	Total new obligations	-232	-332	-369
24.40	Unobligated balance carried forward, end of year	76	76	76
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	235	332	369
Change in obligated balances:				
72.40	Obligated balance, start of year	18	20	20
73.10	Total new obligations	232	332	369
73.20	Total outlays (gross)	-230	-332	-369
74.40	Obligated balance, end of year	20	20	20
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	230	332	369
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-235	-332	-369
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-6		

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. This budget's general provisions extends the authority under that Act. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Administration appropriation. VA Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$369 million and employ 1,013.

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				
		2004 actual	2005 est.	2006 est.
11.1	Personnel compensation: Full-time permanent	44	51	60
12.1	Civilian personnel benefits	10	9	11
21.0	Travel and transportation of persons	2	3	3
23.1	Rental payments to GSA	5	2	2
23.3	Communications, utilities, and miscellaneous charges	32	39	40
24.0	Printing and reproduction	2	6	6
25.2	Other services	119	206	233
26.0	Supplies and materials	2	2	2
31.0	Equipment	16	14	12

FRANCHISE FUND—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-4539-0-4-705	2004 actual	2005 est.	2006 est.
99.9 Total new obligations	232	332	369

Personnel Summary

Identification code 36-4539-0-4-705	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	705	832	1,013

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2004 actual	2005 est.	2006 est.
Offsetting receipts from the public:			
36-247300 Contributions from military personnel, Veteran's Educational Assistance Act of 1984	211	212	212
36-273330 Housing downward reestimates	2,259	1,020	.....
36-275510 Housing negative subsidies	3	187	229
General Fund Offsetting receipts from the public	2,473	1,419	441

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 2005 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.]

SEC. 102.] 101. Appropriations available to the Department of Veterans Affairs for fiscal year [2005] 2006 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109 hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by 5 U.S.C. 5901-5902.

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.] 102. 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 services" 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 2005 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 2004.]

SEC. 106.] 103. Appropriations accounts available to the Department of Veterans Affairs for fiscal year [2005] 2006 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 107.] 104. Notwithstanding any other provision of law, during fiscal year [2005] 2006, 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

[2005] 2006 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 [2005] 2006 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.] 105. Notwithstanding any other provision of law, the Department of Veterans Affairs shall continue the Franchise Fund pilot program authorized to be established by section 403 of Public Law 103-356 until October 1, [2005] 2006: *Provided*, That the Franchise Fund, established by title I of Public Law 104-204 to finance the operations of the Franchise Fund pilot program, shall continue until October 1, [2005] 2006.

SEC. 109.] 106. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal year for providing enhanced-use lease services, may be obligated during the fiscal year in which the proceeds are received.

SEC. 110.] 107. Funds available in any Department of Veterans Affairs appropriation for fiscal year [2005] 2006 or funds 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 but not exceed [\$29,318,000] \$29,758,000 for the Office of Resolution Management and \$3,059,000 for the Office of Employment and Discrimination Complaint Adjudication: *Provided*, That payments may be made in advance for services to be furnished based on estimated costs: *Provided further*, That amounts received shall be credited to "General operating expenses" for use by the office that provided the service.

SEC. 111. No appropriations in this Act for the Department of Veterans Affairs shall be available to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits a report which the Committees on Appropriations of the Congress approve within 30 days following the date on which the report is received.]

SEC. 112.] 108. No funds of the Department of Veterans Affairs shall be available for hospital care, nursing home care, or medical services provided to any person under chapter 17 of title 38, United States Code, for a non-service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title: *Provided*, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required: *Provided further*, That any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts are received.

SEC. 113. Of the amounts provided in this Act, \$25,000,000 shall be for information technology initiatives to support the enterprise architecture of the Department of Veterans Affairs.]

SEC. 114.] 109. None of the funds made available to the Department in this Act, or any other Act, may be used to implement sections 2 and 5 of Public Law 107-287 and section 303 of Public Law 108-422.

SEC. 115. (a) Hereafter receipts that would otherwise be credited to the accounts listed in subsection (c) shall be deposited into the Medical Care Collections Fund, and shall be transferred to and merged with the "Medical services" account, in fiscal year 2005 and subsequent years, to remain available until expended, to carry out the purposes of the "Medical services" account.

(b) The unobligated balances in the accounts listed in subsection (c), shall be transferred to and merged with the "Medical services" account in fiscal year 2005 and subsequent years, and remain available until expended, to carry out the purposes of the "Medical services" account: *Provided*, That the obligated balances in these accounts may be transferred to the "Medical services" account at the discretion of the Secretary of Veterans Affairs and shall remain available until expended.

(c) Veterans Extended Care Revolving Fund; Medical Facilities Revolving Fund; Special Therapeutic and Rehabilitation Fund; Nursing

Home Revolving Fund; Veterans Health Services Improvement Fund; and Parking Revolving Fund.]

[SEC. 116. (a) The Secretary of Veterans Affairs 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. Notwithstanding section 3302(b) of title 31, United States Code, 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 "Medical services" and the purposes of paying a contractor a percent of the amount collected as a result of an audit carried out by the contractor.

(b) All amounts so collected under subsection (a) with respect to a designated health care region (as that term is defined in section 1729A(d)(2) of title 38, United States Code) shall be allocated, net of payments to the contractor, to that region.]

[SEC. 117. Notwithstanding any other provision of law, at the discretion of the Secretary of Veterans Affairs, proceeds or revenues derived from enhanced-use leasing activities (including disposal) that are deposited into the Medical Care Collections Fund may be transferred and merged with "Construction, major projects" and "Construction, minor projects" accounts and be used for construction (including site acquisition and disposition), alterations and improvements of any medical facility under the jurisdiction or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in "Construction, major projects" and "Construction, minor projects".]

SEC. [118.] 110. Amounts made available under "Medical services" are available—

(1) for furnishing recreational facilities, supplies, and equipment; and

(2) for funeral expenses, burial expenses, and other expenses incidental to funerals and burials for beneficiaries receiving care in the department.

SEC. 111. *Of the amounts in this title provided for operating expenses in the Department's appropriations accounts, except for the "Medical Services", "Medical Administration", "Medical Facilities", and "Medical and Prosthetic Research" accounts, five percent is available until September 30, 2007.*

SEC. 112. *In order to correct for assumptions used to restructure the VA's budget request and subject to subsection (d), transfers are authorized to be made between accounts within each subsection. Transfers shall become effective five days after notice thereof is transmitted to the Appropriations Committees of the House and Senate:*

(a) *appropriations available for fiscal years 2006 and 2007 for operating expenses in the "Disability Compensation Administration", "Pensions Administration", "Burial Administration", "Insurance Administration", "Education Administration", and "Vocational Rehabilitation and Employment Administration" accounts;*

(b) *appropriations available for fiscal years 2006 and 2007 for purposes of construction (non-grants) in the "Disability Compensation Administration", "Pensions Administration", "Insurance Administration", "Education Administration", "Vocational Rehabilitation and Employment Administration", and "Housing" accounts;*

(c) *appropriations available for operating expenses in the "Medical Services", "Medical Administration", "Medical Facilities", and "Medical and Prosthetic Research" accounts;*

(d) *the total amount transferred from or into any single account may not exceed twenty percent in 2006 and five percent in 2007.*

SEC. 113. *Appropriations available to the Department of Veterans Affairs for construction are available until expended.*

SEC. 114. *Construction funds (non-grants) provided in this title are available for constructing, altering, extending and improving any of the facilities under the jurisdiction of, or for the use of, the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102 (excluding lease of a facility or land or both), 8103, 8106, 8108, 8109, 8110, 8122, and 8162 of title 38, United States Code, as appropriate to each account, 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. Such construction funds are also available for: (1) repairs to any of the non-medical facilities under the jurisdiction of, or for the use of the Department, which are necessary because of loss or damage caused by any natural disaster; and (2) temporary measures necessary to prevent or to minimize further loss by such causes. Except for advance planning activities, including needs assessments, other capital asset management related activities, investment strategy studies, design of*

projects and planning and design activities, including needs assessments, none of the funds appropriated for construction shall be used for any project where the estimated cost is \$7,000,000 or more, pursuant to section 8104 of title 38, U.S.C. Construction funds provided in each account for fiscal year 2006 for projects where the estimated cost is \$7,000,000 or more, shall be obligated: (1) by the awarding of construction documents contract by September 30, 2006; and (2) by the awarding of a design-build or construction contract by September 30, 2007. The Secretary shall promptly report in writing to the Committees on Appropriations any approved construction project of \$7,000,000 or more in which obligations are not incurred within the time limitations established above.

SEC. 115. *Section 1703(d)(2) of title 38, United States Code, is amended by striking "shall be available for the purposes" and inserting "shall be available, without fiscal year limitation, for the purposes".*

SEC. 116. *At the discretion of the Secretary of Veterans Affairs, proceeds or revenues derived from enhanced-use leasing activities that are deposited into the Medical Care Collections Fund may be transferred to and merged with the "Medical Facilities" account, to be used for construction (including site acquisition and disposition), alterations and improvements of any medical facility under the jurisdiction of, or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in such account.*

SEC. 117. *The balances in the "Construction, Major Projects", "Construction, Minor Projects", "Grants for Construction of State Extended Care Facilities", and the "Department of Veterans Affairs Capital Asset Fund" shall be transferred to each appropriation provided in this Act as appropriate, and shall remain available under the terms under which originally appropriated.*

SEC. 118. *Appropriations available to the Department of Veterans Affairs for fiscal year 2006 for "Disability Compensation Benefits," "Pensions Benefits," "Education Benefits," "Vocational Rehabilitation and Employment Benefits," and "Insurance Benefits" 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 2005.*

[SEC. 119. That such sums as may be deposited to the Medical Care Collections Fund pursuant to 38 U.S.C. 1729A may be transferred to "Medical services", to remain available until expended for the purposes of this account.]

[SEC. 120. Amounts made available for fiscal year 2005 under the "Medical services", "Medical administration", and "Medical facilities" accounts may be transferred between the accounts to the extent necessary to implement the restructuring of the Veterans Health Administration accounts after notice of the amount and purpose of the transfer is provided to the Committees on Appropriations of the Senate and House of Representatives and a period of 30 days has elapsed: *Provided*, That the limitation on transfers is 20 percent in fiscal year 2005.]

[SEC. 121. Any appropriation for fiscal year 2005 for the Veterans Benefits Administration made available under the heading "General operating expenses" may be transferred to the "Veterans Housing Benefit Program Fund Program Account" for the purpose of providing funds for the nationwide property management contract if the administrative costs of such contract exceed \$8,800,000 in the budget year.]

[SEC. 122. The Department of Veterans Affairs is authorized to expend such sums as are available in the unobligated balances of the funds originally appropriated to "Medical Care" for emergency expenses resulting from the January 1994 earthquake in southern California in Public Law 103-211, Emergency Supplemental Appropriations Act of 1994, for the same purposes of the "Medical Services" account, to remain available until expended.]

[SEC. 123. Notwithstanding any other provision of law, the Secretary of Veterans Affairs (Secretary) shall allow veterans eligible under existing VA Medical Care requirements and who reside in Alaska to obtain medical care services from medical facilities supported by the Indian Health Services or tribal organizations. The Secretary shall: (1) limit the application of this provision to rural Alaskan veterans in areas where an existing VA facility or VA-contracted service is unavailable; (2) require participating veterans and facilities to comply with all appropriate rules and regulations, as established by the Secretary; (3) require this provision to be consistent with CARES; and (4) result in no additional cost to the Department of Veterans Affairs or the Indian Health Service.]

[SEC. 124. Of the funds made available under the heading "Construction, minor projects" in chapter 11 of division B of the Military

ADMINISTRATIVE PROVISIONS—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005, Public Law 108-324, the Secretary of Veterans Affairs may transfer up to \$19,800,000 to the “Medical Facilities” account for non-recurring maintenance expenses related to hurricane and tropical storm damage.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.*)

TITLE IV—GENERAL PROVISIONS

SEC. 401. 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. 402. 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 Officer or is specifically exempt by law from such audit.】

【SEC. 403. None of the funds provided in this Act to any department or agency may be obligated or expended for: (1) the transportation of any officer or employee of such department or agency between the domicile and the place of employment of the officer or employee, with the exception of an officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905; or (2) to provide a cook, chauffeur, or other personal servants to any officer or employee of such department or agency.】

【SEC. 404. 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. 【405.】 402. None of the funds provided 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. 【406.】 403. None of the funds provided in this Act may 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. 【407.】 404. 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. 【408.】 405. 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. 【409.】 406. Such sums as may be necessary for fiscal year 【2005】 2006 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 【410.】 407. (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 Congress.

SEC. 【411.】 408. 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. 【412.】 409. 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. 【413.】 410. 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 Congress, except in presentation to Congress itself.

SEC. 【414.】 411. All departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of “E-Commerce” technologies and procedures in the conduct of their business practices and public service activities.

SEC. 【415.】 412. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 【416.】 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. 417. Section 313 of the National Aeronautics and Space Act of 1958, as amended, is further amended in subsection (a)—

(1) by striking “2004” and inserting “2005”; and

(2) by striking “Space flight capabilities” and inserting “Exploration capabilities”.】

【SEC. 418. None of the funds made available in this Act may be used to implement any policy prohibiting the Directors of the Veterans Integrated Service Networks from conducting outreach or marketing to enroll new veterans within their respective Networks.】

【SEC. 419. It is the sense of Congress that no veteran should wait more than 30 days for an initial doctor’s appointment.】

【SEC. 420. None of the funds made available to NASA in this Act may be used for voluntary separation incentive payments as provided for in subchapter II of chapter 35 of title 5, United States Code, unless the Administrator of NASA has first certified to Congress that such payments would not result in the loss of skills related to the safety of the Space Shuttle or the International Space Station or to the conduct of independent safety oversight in the National Aeronautics and Space Administration.】

【SEC. 421. (a) TREATMENT OF PIONEER HOMES IN ALASKA AS STATE HOME FOR VETERANS.—For this fiscal year and each fiscal year hereafter, the Secretary of Veterans Affairs may—

(1) treat the Pioneer Homes in the State of Alaska collectively as a single State home for veterans for purposes of section 1741 of title 38, United States Code; and

(2) make per diem payments to the State of Alaska for care provided to veterans in the Pioneer Homes in accordance with the provisions of that section.

(b) TREATMENT NOTWITHSTANDING NON-VETERAN RESIDENCY.—The Secretary may treat the Pioneer Homes as a State home under subsection (a) notwithstanding the residency of non-veterans in one or more of the Pioneer Homes.

(c) PIONEER HOMES DEFINED.—In this section, the term “Pioneer Homes” means the six regional homes in the State of Alaska known as Pioneer Homes, which are located in the following:

- (1) Anchorage, Alaska.
- (2) Fairbanks, Alaska.
- (3) Juneau, Alaska.
- (4) Ketchikan, Alaska.
- (5) Palmer, Alaska.
- (6) Sitka, Alaska.

(d) LIMITATION.—The number of beds occupied by veterans collectively in the six Pioneer Homes listed under subsection (c) for which per diem would be paid under this authority shall not exceed the number of veterans in State beds that otherwise would be permitted in Alaska under the Department of Veterans Affairs State home regulations governing the number of beds per veteran population.】

【SEC. 422. Of the amounts available to the National Aeronautics and Space Administration, such sums as may be necessary for the benefit of the families of the astronauts who died on board the Space Shuttle Columbia on February 1, 2003, are available under the terms of section 203(c)(13) of the National Aeronautics and Space Act of 1958, as amended, independent of the limitations established therein.】

【SEC. 423. Section 428 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2004 is amended—

- (1) in subsection (c), by inserting “new” before “spark ignition engines”; and
- (2) in subsection (d), by striking “The prohibition in subsection (e)” and inserting “The prohibition in subsection (c)”.

【SEC. 424. In addition to the amounts otherwise provided in this or any other Act for fiscal year 2005, for “Department of Housing and Urban Development, Community Development Fund”,

\$31,000,000 to remain available until expended for a grant to The Hudson River Park Trust for planning, design and reconstruction of Pier 86 in New York City.】

【SEC. 425. From within funds available to the Secretary of Veterans Affairs, \$200,000 shall be made available until expended to Eric and Brian Simon of Minneapolis, Minnesota, to be divided evenly between the individuals.】

【SEC. 426. (a) WAIVER OF REQUIREMENTS.—Subject to subsection (b), the limitation on the release of funds in section 104(g)(2) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304) shall not apply to the Village of Chickasaw Sewer Collection and Treatment System, located in the Village of Chickasaw, Mercer County, Ohio.

(b) APPLICABILITY.—Subsection (a) only applies to the grant that was awarded to the Village of Chickasaw (Ohio Small Cities CDBG Grant # C-W-03-283-1), for the period beginning September 1, 2003, and ending October 31, 2005, and in the amount of \$600,000.

(c) ENVIRONMENTAL REVIEWS.—Notwithstanding the provisions of this section, the Village of Chickasaw must complete all appropriate environment reviews in a timely manner and to the satisfaction of the State of Ohio.】

SEC. 414. *Notwithstanding 40 U.S.C. 524, 571, and 572, the Administrator of the National Aeronautics and Space Administration may sell the National Aeronautics and Space Administration-owned property on the Camp Parks Military Reservation, Alameda County, California, and credit the net proceeds of such sales as offsetting collections to its Exploration, science and aeronautics account. Such funds shall be available until expended; to be used to replace the facilities at Camp Parks that are still required, to improve other National Aeronautics and Space Administration-owned facilities, or both. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)*