

DEPARTMENT OF VETERANS AFFAIRS

The 2007 budget provides \$35,697 million in discretionary funding for veterans health, benefits, and other services, including \$38,530 million in gross discretionary budget authority and \$2,833 million in anticipated medical collections. VA is submitting its 2007 budget request using the account structure enacted in P.L. 109-114, the Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.

VETERANS HEALTH ADMINISTRATION

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 section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment 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; **[\$22,547,141,000] \$25,511,509,000**, plus reimbursements, of which not less than \$2,200,000,000 shall be expended for specialty mental health care: *Provided*, That \$1,225,000,000 of the amount provided under this heading is designated by the Congress as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006: *Provided further*, That such \$1,225,000,000 shall be available only if an official budget request is transmitted by the President to the Congress that revises the President's budget amendment of July 14, 2005, to designate the entire \$1,225,000,000 as an emergency requirement: *Provided [further]*, That of the funds made available under this heading, not to exceed \$1,100,000,000 shall be available until September 30, [2007] 2008: *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, notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: *Provided further*, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs: *Provided further*, That for the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 721 of Public Law 107-314, a minimum of \$15,000,000, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

[For an additional amount for "Medical Services", \$198,265,000, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.]

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-0160-0-1-703	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	153	156	157

01.99 Balance, start of year	153	156	157
Receipts:			
02.20 Pharmaceutical co-payments, MCCF	650	701	808
02.21 Pharmaceutical co-payments, MCCF—legislative proposal not subject to PAYGO			288
02.22 Enhanced-use lease proceeds, MCCF	27	1	1
02.23 First party collections, MCCF	119	120	120
02.24 First party collections, MCCF—legislative proposal not subject to PAYGO			256
02.25 Third party collections, MCCF	1,056	1,178	1,304
02.26 Parking fees, MCCF	3	4	4
02.27 Compensated work therapy, MCCF	35	44	46
02.28 MCCF, Long-term care copayments	5	6	6
02.40 Payments from compensation and pension, MCCF	2	1	1
02.99 Total receipts and collections	1,897	2,055	2,834
04.00 Total: Balances and collections	2,050	2,211	2,991
Appropriations:			
05.00 Medical services	-1,894	-2,054	-2,289
05.01 Medical services—legislative proposal not subject to PAYGO			-226
05.02 Medical services—legislative proposal not subject to PAYGO			-288
05.03 Medical services—legislative proposal not subject to PAYGO			-30
05.99 Total appropriations	-1,894	-2,054	-2,833
07.99 Balance, end of year	156	157	158

Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Acute hospital care	4,685	4,882	5,270
00.02 Rehabilitative care	340	381	384
00.03 Psychiatric care	661	867	975
00.04 Nursing home care	2,183	2,083	2,220
00.05 Subacute care	85	76	77
00.06 Residential care	174	211	240
00.07 Outpatient care	13,630	15,477	17,510
00.08 CHAMPVA	527	597	665
00.91 Total operating expenses	22,285	24,574	27,341
01.01 Acute hospital care	139	159	191
01.02 Rehabilitative care	12	14	17
01.03 Psychiatric care	23	26	32
01.04 Nursing home care	45	51	62
01.05 Subacute care	2	2	3
01.06 Residential care	5	6	7
01.07 Outpatient care	426	486	589
01.91 Total capital investment	652	744	901
02.93 Total direct program	22,937	25,318	28,242
09.01 Reimbursable program	170	175	182
10.00 Total new obligations	23,107	25,493	28,424
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	619	949	442
22.00 New budget authority (gross)	23,438	24,986	27,982
23.90 Total budgetary resources available for obligation	24,057	25,935	28,424
23.95 Total new obligations	-23,107	-25,493	-28,424
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	949	442	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	21,011	22,772	25,511
40.20 Appropriation (special fund)	1,894	2,054	2,289
40.35 Appropriation permanently reduced (P.L. 108-447)	-156		
41.00 Transferred to other accounts	-166	-15	
42.00 Transferred from other accounts	685		

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	2005 actual	2006 est.	2007 est.
43.00 Appropriation (total discretionary)	23,268	24,811	27,800
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	146	175	182
68.10 Change in uncollected customer payments from Federal sources (unexpired)	24		
68.90 Spending authority from offsetting collections (total discretionary)	170	175	182
70.00 Total new budget authority (gross)	23,438	24,986	27,982
Change in obligated balances:			
72.40 Obligated balance, start of year	2,415	2,715	3,305
73.10 Total new obligations	23,107	25,493	28,424
73.20 Total outlays (gross)	-22,773	-24,903	-27,321
73.40 Adjustments in expired accounts (net)	-24		
74.00 Change in uncollected customer payments from Fed- eral sources (unexpired)	-24		
74.10 Change in uncollected customer payments from Fed- eral sources (expired)	14		
74.40 Obligated balance, end of year	2,715	3,305	4,408
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	20,113	21,430	24,072
86.93 Outlays from discretionary balances	2,660	3,473	3,249
87.00 Total outlays (gross)	22,773	24,903	27,321
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-89	-97	-98
88.40 Non-Federal sources	-70	-78	-84
88.90 Total, offsetting collections (cash)	-159	-175	-182
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-24		
88.96 Portion of offsetting collections (cash) credited to expired accounts	13		
Net budget authority and outlays:			
89.00 Budget authority	23,268	24,811	27,800
90.00 Outlays	22,614	24,728	27,139

Summary of Budget Authority and Outlays

(in millions of dollars)

	2005 actual	2006 est.	2007 est.
Enacted/requested:			
Budget Authority	23,268	24,811	27,800
Outlays	22,614	24,728	27,139
Legislative proposal, not subject to PAYGO:			
Budget Authority			-251
Outlays			-539
Total:			
Budget Authority	23,268	24,811	27,549
Outlays	22,614	24,728	26,600

For 2007, the budget requests total resources for the VA Medical Services appropriation of \$27.5 billion, and increase of \$2.9 billion (\$2.2 billion in appropriation and \$0.8 billion in collections) over the 2007 level. This includes (\$24.7 billion in appropriated budget authority and \$2.8 billion to be collected in the Medical Care Collections Fund.

The budget request level also includes a comprehensive set of legislative 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 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 \$2.8 billion, representing 8-percent of available resources (this includes the collections in the legislative proposal section). VA has the authority to collect inpatient and outpatient co-payments, medication co-payments, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for nonservice-connected conditions; and authority to collect revenue from enhanced use leases. These collections also include those collected from the Compensated Work Therapy Program, Compensation and Living Expenses Program, and the Parking Program.

WORKLOAD

Provision of Veterans Health Care—

Acute hospital care.—Costs for 2007 are estimated to increase by \$169 million for operating medical, neurological, surgical, contract and State home hospital beds.

Estimated operating levels are:

	2005 actual	2006 est.	2007 est.
Patients treated	543,577	559,076	573,884
Average daily census	8,961	9,084	9,253
Average employment	34,714	34,632	34,643

Rehabilitative care.—An increase of \$6 million in 2007 is estimated for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	2005 actual	2006 est.	2007 est.
Patients treated	15,253	15,429	15,493
Average daily census	1,210	1,210	1,210
Average employment	3,355	3,416	3,416

Psychiatric care.—An increase of \$114 million is estimated in 2007 for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

	2005 actual	2006 est.	2007 est.
Patients treated	109,604	109,132	108,767
Average daily census	4,363	4,340	4,286
Average employment	6,205	6,205	6,820

Nursing home care.—In 2007, an increase of \$148 million is estimated for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	2005 actual	2006 est.	2007 est.
Patients treated	99,158	94,562	96,474
Average daily census	34,375	33,378	34,358
Average employment	14,394	14,377	14,377

Noninstitutional extended care.—Included in outpatient estimates in 2007 is an increase of \$48 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:

	2005 actual	2006 est.	2007 est.
Average daily census	27,469	32,105	36,722

Subacute care.—An increase of \$2 million is estimated in 2007 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:

	2005 actual	2006 est.	2007 est.
Patients treated	13,216	12,663	12,184

Average daily census	399	345	327
Average employment	832	816	805

Residential care.—An increase of \$30 million is estimated in 2007 for the care of veterans in locations other than their own homes, such as domiciliary care programs.

Estimated operating levels are:

	2005 actual	2006 est.	2007 est.
Patients treated	30,472	29,595	29,085
Average daily census	9,015	11,035	11,349
Average employment	1,660	1,675	1,675

Outpatient care.—An increase of \$2.095 billion is estimated in 2007 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

	2005 actual	2006 est.	2007 est.
Medical visits (in thousands):			
Staff visits	52,343	55,541	58,513
Fee visits	4,846	5,450	5,943
Readjustment counseling	1,047	1,075	1,100
Total	58,236	62,066	65,556
Dental:			
Staff:			
Examinations	548,734	630,000	649,000
Treatments	338,048	389,000	401,000
Total	886,782	1,019,000	1,050,000
Fee: Cases completed	26,007	30,000	31,000
Average employment	73,648	73,664	73,664

Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).—An increase of \$68 million is estimated in 2007 for private hospital and outpatient care for dependents and survivors of certain veterans.

Estimated operating levels are:

	2005 actual	2006 est.	2007 est.
Average daily hospital census	597	619	629
Outpatient (in thousands)	5,178	5,600	5,800

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.

	2005 actual	2006 est.	2007 est.
Clinical Practice Guidelines Index	87%	77%	78%
Prevention Index II	90%	88%	88%
Percent of patients rating VA health care service as very good or excellent:			
Inpatient	77%	74%	74%
Outpatient	77%	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.

	2005 actual	2006 est.	2007 est.
Percentage of primary care appointments scheduled within 30 days of desired date	96%	96%	96%
Percentage of specialty care appointments scheduled within 30 days of desired date	93%	93%	93%
Increase non-institutional long-term care as expressed by average daily census	27,469	32,105	36,722

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

	2005 actual	2006 est.	2007 est.
Documented increases in the use of joint procurement contracts	Baseline	150M	\$160M
Develop implementation guides for consolidated health informatics standards adopted by VA and DoD	NA	2	4 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.

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	7,933	8,246	8,663
11.3 Other than full-time permanent	180	187	197
11.5 Other personnel compensation	900	935	982
Total personnel compensation	9,013	9,368	9,842
12.1 Civilian personnel benefits	2,415	2,572	2,729
13.0 Benefits for former personnel	1	11	11
21.0 Employee travel	18	18	19
21.0 Beneficiary travel	189	209	234
21.0 All other	42	44	47
22.0 Transportation of things	12	12	15
23.3 Communications, utilities, and miscellaneous charges	146	166	229
24.0 Printing and reproduction	1	1	1
25.2 Other contractual services	2,010	2,353	3,348
25.6 Outpatient dental fees	38	45	58
25.6 Medical and nursing fees	662	689	723
25.6 Community nursing homes	300	304	317
25.6 Contract hospitalization	610	816	932
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)	394	616	691
26.0 Medical supplies and materials	5,928	6,739	7,495
31.0 Equipment	647	784	901
32.0 Medical land and structures	5		
41.0 Medical grants, subsidies, and contributions	434	494	558
41.0 Medical grants to private organizations	62	77	92
43.0 Interest and dividends	10		
99.0 Direct obligations	22,937	25,318	28,242
99.0 Reimbursable obligations	170	175	182
99.9 Total new obligations	23,107	25,493	28,424

Personnel Summary

Identification code 36-0160-0-1-703	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	133,270	133,270	138,207
Reimbursable:			
2001 Civilian full-time equivalent employment	2,013	2,013	2,013

MEDICAL SERVICES

(Legislative proposal, not subject to PAYGO)

Title 38, United States Code, is amended—

(1) To authorize an annual enrollment fee, as follows:

(a) In section 1705, by inserting the following new subsection (d) at the end:

“(d) The Secretary may not enroll or continue the enrollment of a veteran under paragraph (a)(7) or (a)(8) unless the veteran annually pays to the United States an enrollment fee of \$250.”

(b) In section 1729A(b), by redesignating paragraphs (1) through (8) as (2) through (9), and by inserting the following new paragraph (1):

“(1) Section 1705(d) of this title.”

(2) To authorize increased pharmacy copayments, as follows in section 1722A:

(a) in subsection (1), by inserting “eligible for care under section 1710(a)(1) or (a)(2)” after the word, “veteran,” the first time it appears in paragraph (1);

(b) in subsection (a), by striking out paragraph (2) and redesignating paragraph (3) as (2);

(c) in subsection (b), paragraph (1), by striking out “increase” and inserting in lieu thereof, “adjust” and by inserting “or (c)” before “; and”;

General and special funds—Continued

MEDICAL SERVICES—Continued

(d) in subsection (b), paragraph (2), by inserting “or (c)” after “subsection (a)”; and

(e) by redesignating subsection (c) as “(d)” and inserting the following new subsection (c):

“(c) The Secretary shall require a veteran eligible for care under section 1710(a)(3) to pay the United States \$15 for each 30-day supply of medication furnished such veteran under this chapter on an out-patient basis for the treatment of a nonservice-connected disability.”

(3) To prohibit the application of third party medical care collections to first party veteran debt, as follows:

(a) section 1729 is amended by adding at the end thereof the following new subsection (j):

“(j) In the case of a veteran who is liable to the United States for a payment described in section 1710, 1710B, or 1722A with respect to care or services (including medication) furnished under this chapter, no amounts recovered or collected under this section may be applied in full or partial satisfaction of such liability of the veteran.”

EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to a payment for which a veteran becomes liable under chapter 17 of title 38, United States Code, on and after the date of the enactment of this Act.

Program and Financing (in millions of dollars)

Identification code 36-0160-2-1-703	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Health care for veterans			-251
02.93 Total direct program			-251
10.00 Total new obligations			-251
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-251
23.95 Total new obligations			251
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-795
40.20 Annual Enrollment fee of \$250 for Priority Level 7 and 8 veterans			226
40.20 Pharmaceutical copayments, increase from \$8 to \$15 for Priority Levels 7 and 8 veterans			288
40.20 Eliminate third party offset for veterans copayments			30
43.00 Appropriation (total discretionary)			-251
Change in obligated balances:			
73.10 Total new obligations			-251
73.20 Total outlays (gross)			539
74.40 Obligated balance, end of year			288
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-539
Net budget authority and outlays:			
89.00 Budget authority			-251
90.00 Outlays			-539

The proposed legislation will allow the Department of Veterans Affairs to collect two user fees from priority level 7 and 8 (PL 7/8) veterans. The first user fee proposal will establish an annual enrollment fee of \$250, and the second will increase pharmacy copayments from \$8 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.

Legislation is also being proposed that will allow VA to eliminate the third-party offset for first-party copayments similar to the practice in the private sector.

Object Classification (in millions of dollars)

Identification code 36-0160-2-1-703	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent			-87
11.3 Other than full-time permanent			-2
11.5 Other personnel compensation			-10
11.9 Total personnel compensation			-99
12.1 Civilian personnel benefits			-27
21.0 Beneficiary travel			-3
22.0 Transportation of things			-2
23.3 Communications, utilities, and miscellaneous charges			-27
25.2 Other contractual services			-33
25.6 Medical and nursing fees			-7
26.0 Medical supplies and materials			-53
99.9 Total new obligations			-251

Personnel Summary

Identification code 36-0160-2-1-703	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment			-4,285
Reimbursable:			
2001 Civilian full-time equivalent employment			

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	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	6	20	30
10.00 Total new obligations	6	20	30
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	30	54	64
22.00 New budget authority (gross)	30	30	
23.90 Total budgetary resources available for obligation	60	84	64
23.95 Total new obligations	-6	-20	-30
24.40 Unobligated balance carried forward, end of year	54	64	34
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		5	11
73.10 Total new obligations	6	20	30
73.20 Total outlays (gross)	-1	-14	-23
74.40 Obligated balance, end of year	5	11	18
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		8	
86.93 Outlays from discretionary balances	1	6	23
87.00 Total outlays (gross)	1	14	23
Net budget authority and outlays:			
89.00 Budget authority	30	30	
90.00 Outlays	1	14	23

Object Classification (in millions of dollars)

Identification code 36-0165-0-1-703	2005 actual	2006 est.	2007 est.
25.1 Advisory and assistance services	1	14	19
26.0 Supplies and materials		2	2
31.0 Equipment	4	3	6
32.0 Land and structures	1	1	3
99.9 Total new obligations	6	20	30

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

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; [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.); [**\$2,858,442,000**] \$3,177,000,000, plus reimbursements, of which \$250,000,000 shall be available until September 30, [2007] 2008. (Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 36–0152–0–1–703	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
Direct program:				
Operating expenses:				
Provision of veterans health care:				
00.01	Acute hospital care	703	817	833
00.02	Rehabilitative care	33	40	46
00.03	Psychiatric care	211	233	255
00.04	Nursing home care	285	315	315
00.05	Subacute care	30	31	31
00.06	Residential care	53	60	60
00.07	Outpatient care	2,684	1,505	1,610
00.91	Total operating expenses	3,999	3,001	3,150
Capital investment:				
Provision of veterans health care:				
01.01	Acute hospital care	106	8	9
01.02	Rehabilitative care	6		
01.03	Psychiatric care	19	1	1
01.04	Nursing home care	43	3	3
01.05	Residential care	6		
01.06	Outpatient care	192	12	14
01.91	Total capital investment	372	24	27
02.93	Total direct program	4,371	3,025	3,177
09.01	Reimbursable program	45	50	52
10.00	Total new obligations	4,416	3,075	3,229
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	33	99	1
22.00	New budget authority (gross)	4,483	2,977	3,229
23.90	Total budgetary resources available for obligation	4,516	3,076	3,230
23.95	Total new obligations	–4,416	–3,075	–3,229
23.98	Unobligated balance expiring or withdrawn	–1		
24.40	Unobligated balance carried forward, end of year	99	1	1
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	4,707	2,858	3,177
40.35	Appropriation permanently reduced (P.L. 108–447)	–38		
41.00	Transferred to other accounts	–232		
42.00	Transferred from other accounts		69	
43.00	Appropriation (total discretionary)	4,437	2,927	3,177
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	43	50	52
68.10	Change in uncollected customer payments from Federal sources (unexpired)	3		

68.90	Spending authority from offsetting collections (total discretionary)	46	50	52
70.00	Total new budget authority (gross)	4,483	2,977	3,229
Change in obligated balances:				
72.40	Obligated balance, start of year	656	839	833
73.10	Total new obligations	4,416	3,075	3,229
73.20	Total outlays (gross)	–4,221	–3,081	–3,167
73.40	Adjustments in expired accounts (net)	–16		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	–3		
74.10	Change in uncollected customer payments from Federal sources (expired)	7		
74.40	Obligated balance, end of year	839	833	895
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	3,632	2,401	2,622
86.93	Outlays from discretionary balances	589	680	545
87.00	Total outlays (gross)	4,221	3,081	3,167
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	–48	–48	–50
88.40	Non-Federal sources	–2	–2	–2
88.90	Total, offsetting collections (cash)	–50	–50	–52
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	–3		
88.96	Portion of offsetting collections (cash) credited to expired accounts	7		
Net budget authority and outlays:				
89.00	Budget authority	4,437	2,927	3,177
90.00	Outlays	4,171	3,031	3,115

For 2007, the budget requests total resources for the VA Medical Administration appropriation of \$3.2 billion, an increase of \$250 million over the 2006 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, 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.

	2005 actual	2006 est.	2007 est.
Average employment	35,652	35,652	35,652

Object Classification (in millions of dollars)

Identification code 36–0152–0–1–703	2005 actual	2006 est.	2007 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	1,756	1,871	1,947
11.3	Other than full-time permanent	40	43	44
11.5	Other personnel compensation	200	213	221
11.9	Total personnel compensation	1,996	2,127	2,212
12.1	Civilian personnel benefits	590	593	621
13.0	Benefits for former personnel	11	2	3
21.0	Employee travel	34	26	27
21.0	All other	1	1	1
22.0	Transportation of things	7	6	6
23.3	Communications, utilities, and miscellaneous charges	232	58	65
24.0	Printing and reproduction	10	4	4
25.2	Other contractual services	1,043	132	156
25.6	Medical and nursing fees	5	4	4
26.0	Medical supplies and materials	69	48	51
31.0	Equipment	365	21	24

General and special funds—Continued

MEDICAL ADMINISTRATION—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-0152-0-1-703	2005 actual	2006 est.	2007 est.
32.0 Medical land and structures	7	3	3
43.0 Interest and dividends	1		
99.0 Direct obligations	4,371	3,025	3,177
99.0 Reimbursable obligations	45	50	52
99.9 Total new obligations	4,416	3,075	3,229

Personnel Summary

Identification code 36-0152-0-1-703	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	35,385	35,362	35,328
Reimbursable:			
2001 Civilian full-time equivalent employment	267	290	324

MEDICAL FACILITIES

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, **[\$3,297,669,000.] \$3,569,000,000**, plus reimbursements, of which \$250,000,000 shall be available until September 30, **[2007] 2008**. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-0162-0-1-703	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care	740	752	765
00.02 Rehabilitative care	90	92	119
00.03 Psychiatric care	305	311	377
00.04 Nursing home care	550	528	525
00.05 Subacute care	37	38	38
00.06 Residential care	127	128	128
00.07 Outpatient care	880	971	1,014
00.91 Total operating expenses	2,729	2,820	2,966
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care	131	136	141
01.02 Rehabilitative care	11	11	12
01.03 Psychiatric care	32	33	35
01.04 Nursing home care	69	72	75
01.05 Subacute care	4	4	4
01.06 Residential care	14	15	15
01.07 Outpatient care	297	308	321
01.91 Total capital investment	558	579	603
Grant Program:			
02.93 Total direct program	3,287	3,399	3,569
09.01 Reimbursable program	24	30	32
10.00 Total new obligations	3,311	3,429	3,601

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	59	102	1
22.00 New budget authority (gross)	3,354	3,328	3,601
23.90 Total budgetary resources available for obligation	3,413	3,430	3,602

23.95 Total new obligations	-3,311	-3,429	-3,601
24.40 Unobligated balance carried forward, end of year	102	1	1

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	3,792	3,298	3,569
40.35 Appropriation permanently reduced (P.L. 108-447)	-30		
41.00 Transferred to other accounts	-452		
42.00 Transferred from other accounts	20		
43.00 Appropriation (total discretionary)	3,330	3,298	3,569
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	23	30	32
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	24	30	32
70.00 Total new budget authority (gross)	3,354	3,328	3,601

Change in obligated balances:

72.40 Obligated balance, start of year	658	921	1,046
73.10 Total new obligations	3,311	3,429	3,601
73.20 Total outlays (gross)	-3,040	-3,304	-3,541
73.40 Adjustments in expired accounts (net)	-7		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	921	1,046	1,106

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	2,456	2,925	3,175
86.93 Outlays from discretionary balances	584	379	366
87.00 Total outlays (gross)	3,040	3,304	3,541

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-9	-12	-12
88.40 Non-Federal sources	-15	-18	-20
88.90 Total, offsetting collections (cash)	-24	-30	-32
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		

Net budget authority and outlays:

89.00 Budget authority	3,330	3,298	3,569
90.00 Outlays	3,016	3,274	3,509

For 2007, the budget requests total resources for the VA Medical Facilities appropriation of \$3.6 billion, an increase of \$271 million over the 2006 level.

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.

Average employment	2005 actual	2006 est.	2007 est.
	26,715	26,715	26,715

Object Classification (in millions of dollars)

Identification code 36-0162-0-1-703	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	974	1,103	1,135
11.3 Other than full-time permanent	22	25	25
11.5 Other personnel compensation	110	125	129
11.9 Total personnel compensation	1,106	1,253	1,289
12.1 Civilian personnel benefits	322	233	243
13.0 Benefits for former personnel	2	1	1
21.0 Employee travel	4	4	4

21.0	All other	21	22	24
22.0	Transportation of things	14	14	16
23.1	Rental payments to GSA	15	15	16
23.2	Rental payments to others	108	110	120
23.3	Communications, utilities, and miscellaneous charges	426	434	473
25.2	Other contractual services	427	442	471
26.0	Medical supplies and materials	203	207	221
26.0	Provisions	80	84	87
31.0	Equipment	79	81	84
32.0	Medical land and structures	479	498	519
43.0	Interest and dividends	1	1	1
99.0	Direct obligations	3,287	3,399	3,569
99.0	Reimbursable obligations	24	30	32
99.9	Total new obligations	3,311	3,429	3,601

Personnel Summary

Identification code 36-0162-0-1-703		2005 actual	2006 est.	2007 est.
Direct:				
1001	Civilian full-time equivalent employment	26,548	26,537	26,537
Reimbursable:				
2001	Civilian full-time equivalent employment	167	178	178

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, **[2007]** 2008, **[\$412,000,000]** \$399,000,000, plus reimbursements[, of which not less than \$15,000,000 shall be used for Gulf War Illness research]. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-0161-0-1-703		2005 actual	2006 est.	2007 est.
Obligations by program activity:				
Direct program:				
Operating expenses:				
00.01	Bio-medical laboratory science research	208	215	205
00.02	Rehabilitation research	45	47	45
00.03	Health services research	60	62	59
00.04	Clinical science research	64	66	63
00.91	Total operating expenses	377	390	372
Capital investment:				
01.01	Bio-medical laboratory science research	25	25	25
01.02	Rehabilitation research	6	6	6
01.03	Health services research	2	3	2
01.04	Clinical science research	4	4	4
01.91	Total capital investment	37	38	37
01.92	Total direct program	414	428	409
09.01	Reimbursable program	55	45	45
10.00	Total new obligations	469	473	454
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	53	41	25
22.00	New budget authority (gross)	457	457	444
23.90	Total budgetary resources available for obligation	510	498	469
23.95	Total new obligations	-469	-473	-454
24.40	Unobligated balance carried forward, end of year	41	25	15
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	405	412	399
40.35	Appropriation permanently reduced	-3		
43.00	Appropriation (total discretionary)	402	412	399
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	55	45	45
70.00	Total new budget authority (gross)	457	457	444

Change in obligated balances:				
72.40	Obligated balance, start of year	123	140	165
73.10	Total new obligations	469	473	454
73.20	Total outlays (gross)	-454	-448	-441
73.40	Adjustments in expired accounts (net)	-2		
74.10	Change in uncollected customer payments from Federal sources (expired)	4		
74.40	Obligated balance, end of year	140	165	178
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	289	327	317
86.93	Outlays from discretionary balances	165	121	124
87.00	Total outlays (gross)	454	448	441
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-64	-45	-45
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts	9		
Net budget authority and outlays:				
89.00	Budget authority	402	412	399
90.00	Outlays	390	403	396

For 2007, the total budgetary resources of \$1.6 billion remain essentially unchanged. These resources are comprised of direct appropriations of \$399 million, medical care support of \$366 million and federal and private sector grants of \$884 million, which represents 54 percent of the total resources.

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:

Biomedical 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 Service comprises investigator-initiated research projects, the training of clinicians and engineers in rehabilitation research, centers of excellence devoted to specific disabilities, and technology transfer. Areas particularly relevant to the disabled veteran population—aging, sensory loss, and trauma related illness, are the focus of the research.

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. Supporting the program are investigator-initiated research projects, the training of clinicians in applied clinical research, centers of excellence devoted to specific aspects of health care delivery, and service-directed projects addressing clinical management needs. The research focuses on the translation of research findings to clinical best practices for all veteran patients. Particular contributions are made in the areas of aging, substance abuse, health systems, and special populations.

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

General and special funds—Continued

MEDICAL AND PROSTHETIC RESEARCH—Continued

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

PERFORMANCE MEASURES

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

- Percent of milestones achieved towards development of a standard clinical practice for pressure ulcers.
- Percent of milestones achieved towards development of a new treatment for posttraumatic stress disorder (PTSD).
- Accrual rate for multi-site clinical trials.

Performance Measure	2005	2006	2007	Strategic Target
Number of peer-reviewed publications authored by VA investigators within the fiscal year	2,793	2,655	2,623	3,000
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD)	40%	60%	67%	100%
Progress towards development of a standard clinical practice for pressure ulcers	52%	65%	70%	100%
Study subject accrual rate for multi-site clinical trials	29%	32%	34%	50%

SUMMARY OF PROGRAM RESOURCES

(In millions of dollars)

	2005 actual	2006 est.	2007 est.
Medical and prosthetic research appropriation	390	412	399
Federal resources	966	1,015	1,042
Other non-federal resources	195	205	208
Total program resources	1,551	1,632	1,649

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	134	141	132
11.3 Other than full-time permanent	14	15	14
11.5 Other personnel compensation	28	29	27
11.9 Total personnel compensation	176	185	173
12.1 Civilian personnel benefits	45	48	45
13.0 Benefits for former personnel		1	1
21.0 Employee travel	3	3	3
21.0 Travel and transportation of persons	1		
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	1	1	1
25.2 Other services	122	129	125
26.0 Supplies and materials	32	32	32
31.0 Equipment	31	27	27
32.0 Land and structures	1		
99.0 Direct obligations	414	428	409
99.0 Reimbursable obligations	55	45	45
99.9 Total new obligations	469	473	454

Personnel Summary

Identification code 36-0161-0-1-703	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	2,946	2,865	2,579
Reimbursable:			
2001 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	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Reimbursable operating expenses	146	148	148
09.02 Reimbursable direct operations	98	99	99
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold	5	5	5
10.00 Total new obligations	249	252	252
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	6	2
22.00 New budget authority (gross)	247	248	253
23.90 Total budgetary resources available for obligation	256	254	255
23.95 Total new obligations	-249	-252	-252
24.40 Unobligated balance carried forward, end of year	6	2	3
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	247	248	253
69.00 Offsetting collections (from investment)			
69.90 Spending authority from offsetting collections (total mandatory)	247	248	253
Change in obligated balances:			
72.40 Obligated balance, start of year	22	30	33
73.10 Total new obligations	249	252	252
73.20 Total outlays (gross)	-241	-249	-253
74.40 Obligated balance, end of year	30	33	32
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	238	247	252
86.98 Outlays from mandatory balances	3	2	1
87.00 Total outlays (gross)	241	249	253
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-247	-248	-253
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-6	1	
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	30	26	24
92.02 Total investments, end of year: Federal securities: Par value	26	24	20

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

Financing.—Operations will be financed from current revenues.

Object Classification (in millions of dollars)

Identification code 36-4014-0-3-705	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent	43	45	46
11.3 Other than full-time permanent	36	37	37
11.9 Total personnel compensation	79	82	83
12.1 Civilian personnel benefits	20	21	22
21.0 Travel and transportation of persons	2	1	1
25.2 Other services	3	3	4
26.0 Supplies and materials	139	140	137
31.0 Equipment	6	5	5
99.9 Total new obligations	249	252	252

Personnel Summary

Identification code 36-4014-0-3-705	2005 actual	2006 est.	2007 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	2,952	2,940	2,950

MEDICAL CENTER RESEARCH ORGANIZATIONS

Program and Financing (in millions of dollars)

Identification code 36-4026-0-3-703	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Operating expenses	161	161	165
09.02 Capital investments	19	19	19
10.00 Total new obligations	180	180	184

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	16	23	23
22.00 New budget authority (gross)	187	180	190
23.90 Total budgetary resources available for obligation	203	203	213
23.95 Total new obligations	-180	-180	-184
24.40 Unobligated balance carried forward, end of year	23	23	29

New budget authority (gross), detail:

Mandatory:			
69.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	187	180	190

Change in obligated balances:

72.40 Obligated balance, start of year	7		
73.10 Total new obligations	180	180	184
73.20 Total outlays (gross)	-187	-180	-190
74.40 Obligated balance, end of year			-6

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	187	180	190
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Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-187	-180	-190

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	2005 actual	2006 est.	2007 est.
21.0 Travel and transportation of persons	5	2	2
25.2 Other services	142	112	116
26.0 Supplies and materials	14	47	47
31.0 Equipment	19	19	19
99.9 Total new obligations	180	180	184

Trust Funds

GENERAL POST FUND, NATIONAL HOMES

(INCLUDING TRANSFER OF FUNDS)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8180-0-7-705	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	1	1	3
01.99 Balance, start of year	1	1	3
Receipts:			
02.00 General post fund, national homes, Interest on investments	2	3	3
02.60 General post fund, national homes, Deposits	29	32	33
02.99 Total receipts and collections	31	35	36
04.00 Total: Balances and collections	32	36	39
Appropriations:			
05.00 General post fund, national homes	-31	-33	-33
07.99 Balance, end of year	1	3	6

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities	29	30	31
00.03 Therapeutic residence maintenance	1	1	2
10.00 Total new obligations	30	31	33

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	62	63	65
22.00 New budget authority (gross)	31	33	33
23.90 Total budgetary resources available for obligation	93	96	98
23.95 Total new obligations	-30	-31	-33
24.40 Unobligated balance carried forward, end of year	63	65	65

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	31	33	33

Change in obligated balances:

72.40 Obligated balance, start of year	5	4	3
73.10 Total new obligations	30	31	33
73.20 Total outlays (gross)	-31	-32	-31
74.40 Obligated balance, end of year	4	3	5

Outlays (gross), detail:

86.97 Outlays from new mandatory authority		32	31
86.98 Outlays from mandatory balances	31		
87.00 Total outlays (gross)	31	32	31

Net budget authority and outlays:

89.00 Budget authority	31	33	33
90.00 Outlays	31	32	31

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities: Par value	67	64	64
92.02 Total investments, end of year: Federal securities: Par value	64	64	64

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.)

General and special funds—Continued

GENERAL POST FUND, NATIONAL HOMES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	2005 actual	2006 est.	2007 est.
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	15	17	19
26.0 Supplies and materials	10	9	9
31.0 Equipment	2	2	2
32.0 Land and structures	1	1	1
99.9 Total new obligations	30	31	33

VETERANS BENEFITS PROGRAMS

Federal Funds

General and special funds:

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by 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, the Reinstated Entitlement Program for Survivors, 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 title IV of the Servicemembers Civil Relief Act (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; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), **[\$33,897,787,000] \$38,007,095,000**, to remain available until expended: *Provided*, That not to exceed **[\$23,491,000] \$24,512,000** of the amount appropriated under this heading shall be reimbursed to "General operating expenses" and "Medical administration" for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further*, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical care collections fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-0102-0-1-701	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
01.01 Veterans	24,445	26,666	29,423
01.02 Survivors	4,197	4,479	4,662
01.91 Compensation sub-total	28,642	31,145	34,085
02.00 Other compensation expenses	28,642	31,145	34,085
02.01 Chapter 18	17	18	19
02.02 Clothing allowance	51	54	57
02.03 Misc Assistance (EAJ, SAFD)	4	4	3
02.04 Medical exam pilot program	68	81	85
02.05 OBRA payment to VBA	1	2	2
02.06 Reinstated Entitlement Program for Survivors	7	7	7
02.91 Total other compensation expenses	141	166	173
02.93 Total compensation	28,783	31,311	34,258
03.02 Veterans	2,652	2,734	2,796
03.03 Survivors	731	739	745
03.91 Pensions sub total	3,383	3,473	3,541
04.01 Reimbursements to GOE and VHA	20	22	23
04.92 Total pensions	3,403	3,495	3,564
06.02 Burial allowance	31	37	39
06.03 Burial plots	17	20	21
06.04 Service-connected deaths	23	28	29

06.05 Burial flags	18	19	19
06.06 Headstones and markers	38	41	42
06.07 Graveliners/Pre-placed crypts	25	30	35
06.91 Total burial program	152	175	185
09.01 Reinstated Entitlement Program for Survivors	10		
09.99 Total reimbursable program	10		
10.00 Total new obligations	32,348	34,981	38,007

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1,060	1,083	
22.00 New budget authority (gross)	32,372	33,898	38,007
23.90 Total budgetary resources available for obligation	33,432	34,981	38,007
23.95 Total new obligations	-32,348	-34,981	-38,007
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	1,083		

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	32,608	33,898	37,417
60.00 Appropriation COLA			590
61.00 Transferred to other accounts	-246		
62.50 Appropriation (total mandatory)	32,362	33,898	38,007
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash) REPS	10		
70.00 Total new budget authority (gross)	32,372	33,898	38,007

Change in obligated balances:

72.40 Obligated balance, start of year	2,442	88	59
73.10 Total new obligations	32,348	34,981	38,007
73.20 Total outlays (gross)	-34,703	-35,010	-34,979
73.40 Adjustments in expired accounts (net)	1		
74.40 Obligated balance, end of year	88	59	3,087

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	31,201	33,840	34,920
86.98 Outlays from mandatory balances	3,502	1,170	59
87.00 Total outlays (gross)	34,703	35,010	34,979

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-10		

Net budget authority and outlays:

89.00 Budget authority	32,362	33,898	38,007
90.00 Outlays	34,694	35,010	34,979

WORKLOAD

Compensation:			
	2005 actual	2006 est.	2007 est.
Rating-Related Actions	703,167	822,441	738,747
Non Rating Actions	246,068	253,451	258,519

WORKLOAD

Pension:			
	2005 actual	2006 est.	2007 est.
Rating-Related Actions	85,131	87,685	89,439
Non Rating Actions	274,082	282,304	287,950

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

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

the Secretary, tends to damage or tear the clothing of such veteran.

Miscellaneous benefits provided for are:

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

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

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

The appropriation also provides for a 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, 2007, is expected to be 2.6 percent.

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

	2005 actual	2006 est.	2007 est.
Veterans:			
Cases	2,600,583	2,713,606	2,867,013
Average payment per case, per year	\$9,400	\$9,827	\$10,263
Total obligations (in millions)	\$24,445	\$26,666	\$29,961
Survivors:			
Total	326,272	340,318	348,479
Average payment per case, per year	\$12,865	\$13,161	\$13,378
Total obligations (in millions)	\$4,197	\$4,479	\$4,662
Chapter 18:			
Children	1,171	1,219	1,234
Average payment per case, per year	\$14,782	\$15,389	\$15,789
Total obligations (in millions)	\$17	\$18	\$19
Clothing allowance:			
Number of veterans	82,333	83,644	87,053
Average payment per case, per year	\$615	\$641	\$657
Total obligations (in millions)	\$51	\$54	\$57
Other compensation caseload:			
Special allowance dependents	110	102	94
Equal Access to Justice payments	803	803	803
REPS:			
Cases	306	393	298
Average benefit	\$29,438	\$18,572	\$22,720
Obligations (in millions)	\$9	\$7	\$6

Pension benefits may be paid to veterans or their survivors. A veteran's entitlement is based on active duty service of a specific length (normally 90 days or more) during a designated war period, disabilities considered permanent and total, and countable income below established levels. There is no disability requirement for survivor cases or veterans age 65 or older. Income support is provided at established benefit levels.

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2007, is expected to be 2.6 percent.

tive with payments made on January 1, 2007, is expected to be 2.6 percent.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	2005 actual	2006 est.	2007 est.
Veterans:			
Cases	337,787	330,764	325,305
Average payment per case, per year	\$7,850	\$8,266	\$8,594
Total obligations (in millions)	\$2,652	\$2,734	\$2,796
Survivors:			
Total	211,240	202,699	194,504
Average payment per case, per year	\$3,460	\$3,646	\$3,828
Total obligations (in millions)	\$731	\$739	\$745

Burial benefits provides for: (a) the payment of an allowance of \$300 (plus transportation charges where death occurs under VA care) to reimburse, in part, the burial and funeral expense of an eligible deceased veteran; (b) the payment of \$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 a 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

	2005 actual	2006 est.	2007 est.
Burial allowance	81,254	82,033	82,843
Burial plot	63,769	65,581	67,430
Service-connected death	13,578	13,938	14,304
Burial flags	540,000	542,415	544,518
Headstones and markers	350,183	356,257	355,388
Graveliners	59,965	66,702	57,884
Preplaced crypts	32,282	46,000	65,600

Object Classification (in millions of dollars)

Identification code 36-0102-0-1-701	2005 actual	2006 est.	2007 est.
42.0 Direct obligations: Insurance claims and indemnities	32,338	34,981	38,007
99.0 Reimbursable obligations: Reimbursable obligations ...	10		
99.9 Total new obligations	32,348	34,981	38,007

READJUSTMENT BENEFITS

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), **[\$3,309,234,000]** \$3,262,006,000, 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. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-0137-0-1-702	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
01.01 Sons and daughters	342	378	410
01.02 Spouses	47	52	57
01.91 Total education and training	389	430	467
02.01 Vocational rehabilitation training	336	366	399
02.02 Subsistence allowance	229	242	259
02.03 Automobiles and adaptive equipment	54	60	67
02.04 Housing Grants	28	29	29
02.91 Total special assistance to disabled veterans	647	697	754

General and special funds—Continued

READJUSTMENT BENEFITS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0137-0-1-702	2005 actual	2006 est.	2007 est.
03.01 Work study	25	26	27
03.02 Payments to States	18	19	19
03.03 All-volunteer assistance: Basic benefits and all other	1,788	2,069	2,159
03.04 Tuition Assistance	19	20	21
03.05 Licensing and Certification	1	1	1
03.06 Reporting fees	4	4	4
03.09 Reimbursement to GOE	1	8	2
03.91 Total All-volunteer assistance and other	1,856	2,147	2,233
03.93 Total Readjustment Benefits Direct Program	2,892	3,274	3,454
09.01 Veterans' and Servicepersons basic benefits	5	5	5
09.02 Veterans' and Servicepersons supplementary benefits	93	98	98
09.03 Chapter 1606 Reservists benefits	131	127	148
09.04 Chapter 1606 Reservists supplementary benefits	56	54	63
09.05 Chapter 1607 Reservists benefits .....	.....	148	192
09.06 National Call to Service .....	.....	1	3
09.09 Total Reimbursable education program	285	433	509
10.00 Total new obligations	3,177	3,707	3,963
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	247	157	192
22.00 New budget authority (gross)	3,087	3,742	3,771
23.90 Total budgetary resources available for obligation	3,334	3,899	3,963
23.95 Total new obligations	-3,177	-3,707	-3,963
24.40 Unobligated balance carried forward, end of year	157	192	.....
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	2,556	3,309	3,262
62.00 Transferred from other accounts	246	.....	.....
62.50 Appropriation (total mandatory)	2,802	3,309	3,262
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	285	433	509
70.00 Total new budget authority (gross)	3,087	3,742	3,771
Change in obligated balances:			
72.40 Obligated balance, start of year	82	37	49
73.10 Total new obligations	3,177	3,707	3,963
73.20 Total outlays (gross)	-3,222	-3,695	-3,916
74.40 Obligated balance, end of year	37	49	96
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2,893	3,501	3,675
86.98 Outlays from mandatory balances	329	194	241
87.00 Total outlays (gross)	3,222	3,695	3,916
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-285	-433	-509
Net budget authority and outlays:			
89.00 Budget authority	2,802	3,309	3,262
90.00 Outlays	2,937	3,262	3,407

WORKLOAD ¹

	2005 actual	2006 est.	2007 est.
Evaluation and planning	26,501	27,296	28,047
Rehabilitation services	60,936	62,764	64,490
Employment services status	6,893	7,100	7,295
Vocational/educational counseling	13,978	15,096	15,850

¹ Veterans may be in more than one category.

WORKLOAD

	2005 actual	2006 est.	2007 est.
Original claims	211,418	223,455	233,455
Adjustments/supplemental claims	1,122,663	1,202,524	1,258,996

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. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the associated approval adaptive equipment. Voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense are included in the Post-Vietnam Era Veterans Education Account.

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

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

CASELOAD AND AVERAGE COST DATA

	2005 actual	2006 est.	2007 est.
Veterans/Servicepersons:			
Number of trainees	336,347	370,248	373,368
Average cost per trainee	\$5,611	\$5,789	\$5,983
Total cost (in millions)	\$1,887	\$2,144	\$2,234
Reservists (1606):			
Number of trainees	87,589	81,930	91,579
Average cost per trainee	\$2,098	\$2,172	\$2,256
Total cost (in millions)	\$186	\$180	\$209
Reservists (1607):			
Number of trainees .....	.....	40,455	50,755
Average cost per trainee .....	.....	\$3,648	\$3,791
Total cost (in millions) .....	.....	\$148	\$192

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

	2005 actual	2006 est.	2007 est.
Sons and daughters:			
Number of trainees	63,863	68,142	71,412
Average cost per trainee (in dollars)	\$5,348	\$5,510	\$5,726
Total cost (in millions)	\$342	\$375	\$409
Spouses and widow(ers):			
Number of trainees	10,497	11,289	11,823
Average cost per trainee (in dollars)	\$4,497	\$4,640	\$4,824

Total cost (in millions)	\$47	\$52	\$57
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Special Assistance to Disabled Veterans.—Service-disabled veterans requiring vocational rehabilitation receive assistance to cover the costs of subsistence, tuition, books, supplies, and equipment. In addition to monetary benefits, individuals may also receive rehabilitation evaluation, planning, and delivery services designed to move the veteran into a suitable job.

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.

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

	2005 actual	2006 est.	2007 est.
Special assistance to disabled veterans:			
Rehabilitation Evaluation Planning and Service cases	22,940	23,628	24,278
Number of participants	69,763	71,801	73,776
Average cost	\$8,088	\$8,474	\$8,912
Total cost (in millions)	\$564	\$608	\$657
Automobiles or other conveyances:			
Number of Conveyances	1,461	1,461	1,461
Average benefit	\$10,784	\$10,784	\$10,784
Obligations (in millions)	\$16	\$16	\$16
Adaptive equipment (including maintenance, repair, and installation for automobiles)			
Number of items	8,009	8,009	8,009
Average benefit	\$4,714	\$5,475	\$6,358
Obligations (in millions)	\$38	\$44	\$51
Housing grants:			
Number of housing grants	668	668	668
Average cost per grant	\$42,259	\$43,293	\$43,293
Total cost (in millions)	\$28	\$29	\$29
Tuition Assistance:			
Number of trainees	23,080	23,080	23,080

Average cost per trainee	\$840	\$866	\$899
Total cost (in millions)	\$19	\$20	\$21
Education Benefits for Payment for National Admissions Exams:			
Number of trainees	0	117,846	119,609
Total cost (in millions)	0	\$14	\$14
Licensing and Certification:			
Number of payments	4,706	4,706	4,706
Average cost per trainee	\$314	\$314	\$314
Total cost (in millions)	\$1	\$1	\$1
National Call to Service:			
Number of trainees	0	200	1,000
Total cost (in millions)	\$0	\$1	\$3

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

	2005 actual	2006 est.	2007 est.
Number of contracts	18,937	21,365	24,007
Total cost (in millions)	\$27	\$28	\$29

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	2005 actual	2006 est.	2007 est.
41.0 Direct obligations: Grants, subsidies, and contributions	2,892	3,274	3,454
99.0 Reimbursable obligations: Reimbursable obligations	285	433	509
99.9 Total new obligations	3,177	3,707	3,963

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by title 38, United States Code, chapter 19; 70 Stat. 887; 72 Stat. 487, **[\$45,907,000]** \$49,850,000, to remain available until expended. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Payment to NSLI	1	1	1
00.10 VMLI death claims	11	11	10
00.12 Payment to service-disabled veterans insurance	35	36	41
01.00 Total direct expenses	47	48	52
10.00 Total new obligations	47	48	52
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	47	48	52
23.90 Total budgetary resources available for obligation	48	49	53
23.95 Total new obligations	-47	-48	-52

General and special funds—Continued

VETERANS INSURANCE AND INDEMNITIES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0120-0-1-701	2005 actual	2006 est.	2007 est.
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	44	46	50
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	2	2
70.00 Total new budget authority (gross)	47	48	52
Change in obligated balances:			
72.40 Obligated balance, start of year		-1	-1
73.10 Total new obligations	47	48	52
73.20 Total outlays (gross)	-48	-48	-52
74.40 Obligated balance, end of year	-1	-1	-1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	47	48	52
86.98 Outlays from mandatory balances	1		
87.00 Total outlays (gross)	48	48	52
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: VMLI premiums	-3	-2	-2
Net budget authority and outlays:			
89.00 Budget authority	44	46	50
90.00 Outlays	45	46	50

WORKLOAD

	2005 actual	2006 est.	2007 est.
Policy service actions	809,000	759,000	716,000
Collections	1,957,000	1,777,000	1,597,000
Disability claims	33,000	31,000	28,000
Insurance awards	511,000	489,000	457,000

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 2007 as indicated in the following table.

POLICIES AND INSURANCE IN FORCE

	2005 actual	2006 est.	2007 est.
VMLI policies:			
Number of policies	2,514	2,430	2,350
Amount of insurance (dollars in millions)	\$166	\$165	\$164

Object Classification (in millions of dollars)

Identification code 36-0120-0-1-701	2005 actual	2006 est.	2007 est.
42.0 Direct obligations: Insurance claims and indemnities	45	46	50
99.0 Reimbursable obligations: Reimbursable obligations	2	2	2
99.9 Total new obligations	47	48	52

Public enterprise funds:

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4012-0-3-701	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Capital investment	12	13	14
09.02 Death Claims	56	66	69
09.03 All Other	7	8	7
10.00 Total new obligations	75	87	90
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	11	7
22.00 New budget authority (gross)	81	83	88
23.90 Total budgetary resources available for obligation	86	94	95
23.95 Total new obligations	-75	-87	-90
24.40 Unobligated balance carried forward, end of year	11	7	5
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	81	83	88
Change in obligated balances:			
72.40 Obligated balance, start of year	9	9	9
73.10 Total new obligations	75	87	90
73.20 Total outlays (gross)	-75	-87	-89
74.40 Obligated balance, end of year	9	9	10
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	75	82	88
86.98 Outlays from mandatory balances		5	1
87.00 Total outlays (gross)	75	87	89
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: Insurance account	-36	-37	-40
88.40 Interest on loans	-3	-3	-3
88.40 Insurance premiums earned	-31	-32	-34
88.40 Repayments of loans	-11	-11	-11
88.40 Other income			
88.90 Total, offsetting collections (cash)	-81	-83	-88
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-6	4	1

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.

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

	2005 actual	2006 est.	2007 est.
Number of policies	175,200	182,192	187,324
Insurance in force (dollars in millions)	\$1,728	\$1,810	\$1,873

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 \$583 million by September 30, 2007.

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	2005 actual	2006 est.	2007 est.
33.0 Investments and loans	12	14	14
42.0 Insurance claims and indemnities	63	73	76
99.0 Reimbursable obligations	75	87	90
99.9 Total new obligations	75	87	90

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Death claims	39	41	41
09.02 Dividends	13	11	10
09.03 All other	6	8	6
09.04 Capital investment: policy loans	3	3	3
10.00 Total new obligations	61	63	60
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	391	371	345
22.00 New budget authority (gross)	41	37	34
23.90 Total budgetary resources available for obligation	432	408	379
23.95 Total new obligations	-61	-63	-60
24.40 Unobligated balance carried forward, end of year	371	345	319
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	42	37	34
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
69.90 Spending authority from offsetting collections (total mandatory)	41	37	34
Change in obligated balances:			
72.40 Obligated balance, start of year	52	53	53
73.10 Total new obligations	61	63	60
73.20 Total outlays (gross)	-61	-63	-60

74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	53	53	53
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	41	37	34
86.98 Outlays from mandatory balances	20	26	26
87.00 Total outlays (gross)	61	63	60
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-28	-25	-23
88.40 Interest on loans	-1	-1	-1
88.40 Insurance premiums earned	-8	-7	-6
88.40 Repayments of loans	-4	-4	-4
88.90 Total, offsetting collections (cash)	-41	-37	-34
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	-1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	20	26	26
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	442	422	397
92.02 Total investments, end of year: Federal securities: Par value	422	397	370

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

	2005 actual	2006 est.	2007 est.
Number of policies	52,881	47,980	43,130
Insurance in force (dollars in millions)	\$488	\$448	\$408

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	2005 actual	2006 est.	2007 est.
33.0 Investments and loans	3	3	3

Public enterprise funds—Continued

VETERANS REOPENED INSURANCE FUND—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-4010-0-3-701	2005 actual	2006 est.	2007 est.
42.0 Insurance claims and indemnities	42	47	44
43.0 Interest and dividends	16	13	13
99.9 Total new obligations	61	63	60

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Premium payments	520	810	855
09.02 Payments to carrier	105	400	.....
09.03 Payment to GOE	1	1	1
10.00 Total new obligations (object class 41.0)	626	1,211	856
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year .....	.....	.....	332
22.00 New budget authority (gross)	626	1,543	856
23.90 Total budgetary resources available for obligation	626	1,543	1,188
23.95 Total new obligations	-626	-1,211	-856
24.40 Unobligated balance carried forward, end of year .....	.....	332	332
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	626	1,543	856
Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	.....	-332
73.10 Total new obligations	626	1,211	856
73.20 Total outlays (gross)	-626	-1,543	-856
74.40 Obligated balance, end of year .....	.....	-332	-332
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	626	1,543	856
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay	-626	-1,543	-856
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	.....	.....
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value .....	.....	.....	.....
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.

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

Object Classification (in millions of dollars)

Identification code 36-4009-0-3-701	2005 actual	2006 est.	2007 est.
41.0 Grants, subsidies, and contributions	626	1,211	856
99.0 Reimbursable obligations	626	1,211	856

Credit accounts:

HOUSING PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by subchapters I through III of chapter 37 of title 38, United States Code: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That during fiscal year [2006] 2007, 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, [\$153,575,000, which may be transferred to and merged with the appropriation for "General operating expenses"] \$153,185,000.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, [\$580,000, which may be transferred to and merged with the appropriation for "General operating expenses"] \$615,000: *Provided*, That no new loans in excess of \$30,000,000 may be made in fiscal year [2006] 2007.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

For the administrative expenses to carry out the guaranteed transitional housing loan program authorized by subchapter VI of chapter 37 of title 38, United States Code, not to exceed \$750,000 of the amounts appropriated by this Act for "General operating expenses" and "Medical administration" may be expended. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loan subsidy	5	29	31
00.02 Guaranteed loan subsidy .....	.....	.....	20
00.05 Reestimates of direct loan subsidy	1,067	36	.....
00.06 Interest on reestimates of the direct loan subsidy	604	3	.....
00.07 Reestimates of guaranteed loan subsidy	111	.....	.....
00.08 Interest on reestimates of guaranteed loan subsidy	107	.....	.....
00.09 Administrative expenses	153	154	154
10.00 Total new obligations	2,047	222	205
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	51	46	38
22.00 New budget authority (gross)	2,042	214	197
23.90 Total budgetary resources available for obligation	2,093	260	235
23.95 Total new obligations	-2,047	-222	-205
24.40 Unobligated balance carried forward, end of year	46	38	30
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	154	154	154
40.35 Appropriation permanently reduced pursuant to H.R. 2673	-1	.....	.....
43.00 Appropriation (total discretionary)	153	154	154
Mandatory:			
60.00 Appropriation	1,889	60	43
70.00 Total new budget authority (gross)	2,042	214	197
Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	5	13

73.10	Total new obligations	2,047	222	205
73.20	Total outlays (gross)	-2,042	-214	-197
74.40	Obligated balance, end of year	5	13	21
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	153	154	154
86.97	Outlays from new mandatory authority	1,889	60	43
87.00	Total outlays (gross)	2,042	214	197
Net budget authority and outlays:				
89.00	Budget authority	2,042	214	197
90.00	Outlays	2,042	214	197

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

Identification code 36-1119-0-1-704	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Acquired Direct Loans	62	217	223
115002 Native American Direct Loans	6	5	5
115003 Transitional Housing Direct Loan	5	11	11
115004 Vendee Direct Loans	92	151	366
115901 Total direct loan levels	165	384	605
Direct loan subsidy (in percent):			
132001 Acquired Direct Loans	-5.12	9.18	10.43
132002 Native American Direct Loan	-7.75	-13.79	-13.46
132003 Transitional Housing Direct Loan	82.16	79.89	70.74
132004 Vendee Direct Loans	-5.12	-5.64	-3.46
132901 Weighted average subsidy rate	-2.57	5.08	2.93
Direct loan subsidy budget authority:			
133001 Acquired Direct Loans	-4	20	23
133002 Native American Direct Loans	-1	-1	-1
133003 Transitional Housing Direct Loans	5	9	8
133004 Vendee Direct Loans	-6	-9	-13
133901 Total subsidy budget authority	-5	19	17
Direct loan subsidy outlays:			
134001 Acquired Direct Loans	-4	20	23
134002 Native American Direct Loans	-1	-1	-1
134003 Transitional Housing Direct Loan	4	11	11
134004 Vendee Direct Loans	-6	-9	-13
134901 Total subsidy outlays	-10	14	20
Direct loan upward reestimate subsidy budget authority:			
135001 Acquired Direct Loan	1,668	39	
135002 Native American Direct Loan	3		
135901 Total upward reestimate budget authority	1,671	39	
Direct loan downward reestimate subsidy budget authority:			
137001 Acquired Direct Loans	-200	-112	
137002 Native American Direct Loan	-2	-3	
137004 Vendee Direct Loans			
137901 Total downward reestimate budget authority	-202	-115	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Veterans Housing Benefit Program	22,544	36,110	37,189
215002 Guaranteed Loan Sale Securities			492
215901 Total loan guarantee levels	22,544	36,110	37,681
Guaranteed loan subsidy (in percent):			
232001 Veterans Housing Benefit Program	-0.32	-0.32	-0.36
232002 Guaranteed Loan Sale Securities	0.00	0.00	3.99
232901 Weighted average subsidy rate	-0.32	-0.32	-0.30
Guaranteed loan subsidy budget authority:			
233001 Veterans Housing Benefit Program	-74	-116	-134
233002 Guaranteed Loan Sale Securities			20
233901 Total subsidy budget authority	-74	-116	-114
Guaranteed loan subsidy outlays:			
234001 Veterans Housing Benefit Program	-74	-116	-134
234002 Guaranteed Loan Sale Securities			20
234901 Total subsidy outlays	-74	-116	-114
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Guaranteed Loan	4		
235002 Guaranteed Loan Sales	214	1	

235901 Total upward reestimate budget authority	218	1	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Veterans Housing Benefit Program	-787	-1,108	
237002 Guaranteed Loan Sale Securities	-31	-68	
237901 Total downward reestimate subsidy budget authority	-818	-1,176	
Administrative expense data:			
351001 Budget authority	153	154	154
359001 Outlays from new authority	153	154	154

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 in excess of \$144,000 the guarantee will be the lesser of: 25 percent of the Freddie Mac conforming loan limit for a single family residence, as adjusted for the year involved; or 25 percent of the loan; or the veteran's available entitlement.

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.

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

WORKLOAD

(In thousands)

	2005 actual	2006 est.	2007 est.
Construction and valuation	194,101	219,000	225,000
Loan processing	441,938	502,000	510,000
Loan service and claims	327,055	340,000	357,000

Object Classification (in millions of dollars)

Identification code 36-1119-0-1-704	2005 actual	2006 est.	2007 est.
25.2 Other services	153	154	154

Credit accounts—Continued

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-1119-0-1-704	2005 actual	2006 est.	2007 est.
41.0 Grants, subsidies, and contributions	1,894	68	51
99.9 Total new obligations	2,047	222	205

HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4127-0-3-704	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans	191	368	589
00.02 Interest on Treasury borrowing	236	105	94
00.03 Property sales expense	5	6	6
00.04 Property management/other expense	7	6	6
00.05 Property improvement expense	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	439	486	696
08.01 Payment of negative subsidy to receipt account	10	9	13
08.02 Payment of downward reestimate to receipt account	78	80	.....
08.04 Payment of excess interest earned to receipt account	122	33	.....
08.91 Direct Program by Activities—Subtotal (1 level)	210	122	13
10.00 Total new obligations	649	608	709
Budgetary resources available for obligation:			
21.00 Unobligated balance carried forward, start of year	203	1,274	.....
22.00 New financing authority (gross)	1,922	626	729
22.60 Portion applied to repay debt	-202	-1,292	-20
23.90 Total budgetary resources available for obligation	1,923	608	709
23.95 Total new obligations	-649	-608	-709
24.40 Unobligated balance carried forward, end of year	1,274	.....	.....
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	1,758	481	589
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	2,146	346	895
69.47 Portion applied to repay debt	-1,982	-201	-755
69.90 Spending authority from offsetting collections (total mandatory)	164	145	140
70.00 Total new financing authority (gross)	1,922	626	729
Change in obligated balances:			
72.40 Obligated balance, start of year	71	69	54
73.10 Total new obligations	649	608	709
73.20 Total financing disbursements (gross)	-651	-623	-708
74.40 Obligated balance, end of year	69	54	55
87.00 Total financing disbursements (gross)	651	623	708

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-1,668	-20	-23
88.00 Transfer of loan sales from LSSA .....	.....	.....	-492
88.00 Reimbursements from DLFA	-5	-51	-82
88.25 Interest on uninvested funds	-87	.....	.....
88.40 Repayments of principal	-247	-118	-130
88.40 Interest received on loans	-56	-73	-77
88.40 Fees	-2	-3	-7
88.40 Cash sale of properties	-81	-77	-80
88.40 Other	-1	-4	-4
88.90 Total, offsetting collections (cash)	-2,147	-346	-895
Against gross financing authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	1	.....	.....

Net financing authority and financing disbursements:

89.00 Financing authority	-224	280	-166
90.00 Financing disbursements	-1,495	277	-187

Status of Direct Loans (in millions of dollars)

Identification code 36-4127-0-3-704	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation	191	368	589
1150 Total direct loan obligations	191	368	589
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,032	934	1,289
1231 Disbursements: Direct loan disbursements	154	368	589
Repayments:			
1251 Repayments and prepayments	-247	-118	-130
1253 Proceeds from loan asset sales to the public with recourse .....	.....	.....	-492
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 .....	.....	108	166
1290 Outstanding, end of year	934	1,289	1,418

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	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	274	1,344
Investments in US securities:		
1106 Receivables, net	2,208	39
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	1,032	934
1402 Interest receivable	19	22
1405 Other	-680	1
1499 Net present value of assets related to direct loans	371	957
1999 Total assets	2,853	2,340
LIABILITIES:		
Federal liabilities:		
2103 Debt	2,582	2,157
2105 Other	271	183
2999 Total liabilities	2,853	2,340
4999 Total liabilities and net position	2,853	2,340

HOUSING GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4129-0-3-704	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Acquisition of homes	717	1,806	1,694
00.02 Losses on defaulted loans	235	593	556
00.04 Reimburse DLFA for loan sales .....	.....	.....	492
00.05 Payment to trustee reserve	4	.....	33
00.06 Reimburse Liquidating for subordination certificate	7	.....	.....
00.07 Loan Sale Closing Costs .....	.....	.....	27
00.09 Property sales expense	86	131	123
00.10 Property management expense	56	115	108
00.11 Property improvement expense	3	30	29

00.12	Loans acquired	101	214	220
00.91	Direct Program by Activities—Subtotal (1 level)	1,209	2,889	3,282
08.01	Payment of negative subsidy to receipt account	74	116	134
08.02	Payment of downward reestimate to receipt account	573	843	
08.04	Payment of excess interest to receipt account	246	333	
08.91	Direct Program by Activities—Subtotal (1 level)	893	1,292	134
10.00	Total new obligations	2,102	4,181	3,416
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	4,273	4,426	3,475
22.00	New financing authority (gross)	2,258	3,230	3,847
22.60	Portion applied to repay debt	-3		
23.90	Total budgetary resources available for obligation	6,528	7,656	7,322
23.95	Total new obligations	-2,102	-4,181	-3,416
24.40	Unobligated balance carried forward, end of year	4,426	3,475	3,906
New financing authority (gross), detail:				
Spending authority from offsetting collections:				
Mandatory:				
69.00	Offsetting collections (cash)	2,273	3,230	3,847
69.10	Change in uncollected customer payments from Federal sources (unexpired)	-15		
69.90	Spending authority from offsetting collections (total mandatory)	2,258	3,230	3,847
Change in obligated balances:				
72.40	Obligated balance, start of year	22	12	24
73.10	Total new obligations	2,102	4,181	3,416
73.20	Total financing disbursements (gross)	-2,127	-4,169	-3,422
74.00	Change in uncollected customer payments from Federal sources (unexpired)	15		
74.40	Obligated balance, end of year	12	24	18
87.00	Total financing disbursements (gross)	2,127	4,169	3,422
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-218	-1	-20
88.00	Recoveries from DLFA	-180	-357	-580
88.25	Interest on uninvested funds	-239	-223	-204
88.40	Funding fees	-409	-610	-619
88.40	Cash sale of properties	-1,210	-2,039	-1,913
88.40	Refunds from Trust			-14
88.40	Redemption of properties and other	-15		
88.40	Subordinate Certificate Deposits			
88.45	Loan sale proceeds	-3		-497
88.90	Total, offsetting collections (cash)	-2,274	-3,230	-3,847
Against gross financing authority only:				
88.95	Change in receivables from program accounts	15		
88.96	Portion of offsetting collections (cash) credited to expired accounts	1		
Net financing authority and financing disbursements:				
89.00	Financing authority			
90.00	Loan sale proceeds	-146	939	-425

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4129-0-3-704	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders	1	
2131	Guaranteed loan commitments exempt from limitation	22,544	36,110
2132	Guaranteed loan commitments for loan asset sales with recourse		492
2150	Total guaranteed loan commitments	22,544	36,111
2199	Guaranteed amount of guaranteed loan commitments	7,235	11,590
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	347,251	195,107
2231	Disbursements of new guaranteed loans	22,544	36,110
2232	Guarantees of loans sold to the public with recourse		492
2251	Repayments and prepayments	-28,938	-31,832
Adjustments:			
2261	Terminations for default that result in loans receivable	-235	-593

2262	Terminations for default that result in acquisition of property	-717	-1,806	-1,694
2263	Terminations for default that result in claim payments	-105	-214	-253
2264	Other adjustments, net	-144,693		
2290	Outstanding, end of year	195,107	196,772	196,935
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	66,142	65,827	65,247

Note: Improvements to processes that track VA guaranteed loan activity and provide budget formulation data, including the total amount of outstanding debt, have revealed a 2005 discrepancy of \$145 billion. Upgrades to VA's tracking systems will be activated by 2007, minimizing the risk of such errors in the future.

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	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101	Fund balances with Treasury	4,276
Investments in US securities:		
1106	Receivables, net	296
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501	Accounts Receivable from Foreclosed Property	1,071
1504	Foreclosed property	4
1505	Other Assets	19
1599	Net present value of assets related to defaulted guaranteed loans	1,094
1999	Total assets	5,666
LIABILITIES:		
Federal liabilities:		
2103	Debt	6
2105	Other liabilities	1,158
Non-Federal liabilities:		
2201	Accounts payable	17
2204	Non-federal liabilities for loan guarantees	4,485
2999	Total liabilities	5,666
4999	Total liabilities and net position	5,666

HOUSING LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4025-0-3-704	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01	Acquisition of homes	15	12
00.04	Acquisition of defaulted guaranteed loans	6	3
00.05	Repurchase of loans sold	2	1
00.91	Total capital investments	23	16
01.00	Total capital investments	23	16
01.02	Property management expense	5	4
01.03	Sales expense	3	3
01.04	Claims processed	-7	-6
01.05	Other operating expenses	1	1
01.91	Total operating expenses	2	2
10.00	Total new obligations (object class 33.0)	25	18
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	28	32
22.00	New budget authority (gross)	57	18
22.40	Capital transfer to general fund	-28	-32

Credit accounts—Continued

HOUSING LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4025-0-3-704	2005 actual	2006 est.	2007 est.
23.90 Total budgetary resources available for obligation	57	18	15
23.95 Total new obligations	-25	-18	-15
24.40 Unobligated balance carried forward, end of year	32		
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	101	79	64
69.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
69.27 Capital transfer to general fund	-45	-61	-49
69.90 Spending authority from offsetting collections (total mandatory)	57	18	15
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	
73.10 Total new obligations	25	18	15
73.20 Total outlays (gross)	-24	-20	-15
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	2		
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	22	18	15
86.98 Outlays from mandatory balances	2	2	
87.00 Total outlays (gross)	24	20	15
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from direct loan financing account	-15	-11	-8
88.40 Loan and other repayments	-19	-14	-11
88.40 Sale of homes, cash	-45	-34	-27
88.40 Interest on loans	-22	-19	-17
88.40 Other revenues		-1	-1
88.90 Total, offsetting collections (cash)	-101	-79	-64
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
Net budget authority and outlays:			
89.00 Budget authority	-45	-61	-49
90.00 Outlays	-77	-59	-49

Status of Direct Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2005 actual	2006 est.	2007 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	79	75	57
1232 Disbursements: Purchase of loans assets from the public	2	1	1
1251 Repayments: Repayments and prepayments	-19	-15	-11
Write-offs for default:			
1263 Direct loans	-5	-4	-3
1264 Other adjustments, net ¹	18		
1290 Outstanding, end of year	75	57	44

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2005 actual	2006 est.	2007 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3,601	10,992	8,094
2251 Repayments and prepayments	-946	-2,889	-2,127
Adjustments:			
2261 Terminations for default that result in loans receivable	-4	-3	-3
2262 Terminations for default that result in acquisition of property	-15	-12	-9
2264 Other adjustments, net	8,356	6	6

2290 Outstanding, end of year	10,992	8,094	5,961
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	2,636	1,920	1,392

Balance Sheet (in millions of dollars)

Identification code 36-4025-0-3-704	2004 actual	2005 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	28	33
Investments in US securities:		
1106 Receivables, net	5	6
1201 Non-Federal assets: Investments in non-Federal securities, net	186	178
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	84	
1402 Interest receivable	4	
1405 Other	-2	
1499 Net present value of assets related to direct loans	86	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross		74
1602 Interest receivable	66	1
1699 Value of assets related to direct loans	66	75
1703 Allowance for estimated uncollectible loans and interest (-)		-287
1705 Accounts receivable from foreclosed property		287
1706 Foreclosed property		17
1799 Value of assets related to loan guarantees		17
1999 Total assets	371	309
LIABILITIES:		
2103 Federal liabilities: Debt	364	302
2207 Non-Federal liabilities: Other	7	7
2999 Total liabilities	371	309
4999 Total liabilities and net position	371	309

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.

NATIVE AMERICAN DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4130-0-3-704	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans ¹	6	5	5
00.03 Interest on Treasury borrowing	5		1
00.91 Direct Program by Activities—Subtotal	11	5	6
08.01 Negative Subsidies Obligated		1	1
08.02 Payment of downward reestimate to receipt account	2	3	
08.91 Direct Program by Activities—Subtotal (1 level)	2	4	1
10.00 Total new obligations	13	9	7
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	2
22.00 New financing authority (gross)	71	10	8
22.60 Portion applied to repay debt	-57		
23.90 Total budgetary resources available for obligation	14	11	10
23.95 Total new obligations	-13	-9	-7
24.40 Unobligated balance carried forward, end of year	1	2	3

New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	61	7	5
Discretionary:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	10	3	3
70.00	Total new financing authority (gross)	71	10	8
Change in obligated balances:				
72.40	Obligated balance, start of year		2	
73.10	Total new obligations	13	9	7
73.20	Total financing disbursements (gross)	-11	-11	-6
74.40	Obligated balance, end of year	2		1
87.00	Total outlays (gross)	11	11	6

Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources: Reimbursements from NADL	-4		
88.25	Interest on uninvested funds	-3		
88.40	Non-federal sources—Repayments and prepayments of principal	-2	-1	-1
88.40	Non-federal sources—Interest received on loans	-1	-2	-2
88.90	Total, offsetting collections (cash)	-10	-3	-3

Net financing authority and financing disbursements:				
89.00	Financing authority	61	7	5
90.00	Financing disbursements	2	8	3

Status of Direct Loans (in millions of dollars)

Identification code 36-4130-0-3-704				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	50	30	30
1121	Limitation available from carry-forward	2		
1142	Unobligated direct loan limitation (-)	-46	-25	-25
1150	Total direct loan obligations	6	5	5
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	23	27	31
1231	Disbursements: Direct loan disbursements	6	5	5
1251	Repayments: Repayments and prepayments	-2	-1	-1
1264	Write-offs for default: Data Reconciliation			
1290	Outstanding, end of year	27	31	35

Balance Sheet (in millions of dollars)

Identification code 36-4130-0-3-704				
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury			2
Investments in US securities:				
1106	Receivables, net		3	
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross		22	27
1499	Net present value of assets related to direct loans		22	27
1901	Other Federal assets: Other assets		5	3
1999	Total assets		30	32
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable			-3
2103	Federal liabilities debt		28	32
2105	Other liabilities		2	3
2999	Total liabilities		30	32
4999	Total liabilities and net position		30	32

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.

TRANSITIONAL HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4258-0-3-704		2005 actual	2006 est.	2007 est.
Obligations by program activity:				
00.01	Guaranteed (Direct) Loans		11	11
10.00	Total new obligations		11	11
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year		5	
22.00	New financing authority (gross)	6	6	11
22.60	Portion applied to repay debt	-1		
23.90	Total budgetary resources available for obligation	5	11	11
23.95	Total new obligations		-11	-11
24.40	Unobligated balance carried forward, end of year		5	

New financing authority (gross), detail:

Mandatory:				
67.10	Authority to borrow	1	2	
Spending authority from offsetting collections:				
Mandatory:				
69.00	Offsetting collections (cash)		4	11
69.10	Change in uncollected customer payments from Federal sources (unexpired)	5		
69.90	Spending authority from offsetting collections (total mandatory)	5	4	11
70.00	Total new financing authority (gross)	6	6	11

Change in obligated balances:

72.40	Obligated balance, start of year		-5	6
73.10	Total new obligations		11	11
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-5		
74.40	Obligated balance, end of year	-5	6	17

Offsets:

Against gross financing authority and financing disbursements:				
88.00	Offsetting collections (cash) from: Federal sources		-4	-11
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-5		

Net financing authority and financing disbursements:

89.00	Financing authority	1	2	
90.00	Financing disbursements		-4	-11

Status of Direct Loans (in millions of dollars)

Identification code 36-4258-0-3-704				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1121	Limitation available from carry-forward	100	95	89
1143	Unobligated limitation carried forward (P.L. xx) (-)	-95	-89	-78
1150	Total direct loan obligations	5	6	11
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year			5
1231	Disbursements: Direct loan disbursements		5	15
1251	Repayments: Repayments and prepayments			
1290	Outstanding, end of year		5	20

Credit accounts—Continued

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4259-0-3-702	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct loans	3	3	4
10.00 Total new obligations	3	3	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New financing authority (gross)	3	3	4
22.60 Portion applied to repay debt	-1		
23.90 Total budgetary resources available for obligation	3	3	4
23.95 Total new obligations	-3	-3	-4
24.40 Unobligated balance carried forward, end of year			
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow (indefinite)	3	3	4
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	3	3	3
68.47 Portion applied to repay debt	-3	-3	-3
68.90 Spending authority from offsetting collections (total discretionary)			
70.00 Total new financing authority (gross)	3	3	4
Change in obligated balances:			
73.10 Total new obligations	3	3	4
73.20 Total financing disbursements (gross)	-3	-3	-4
87.00 Total financing disbursements (gross)	3	3	4
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Repayments and prepayments of principal	-3	-3	-3
Net financing authority and financing disbursements:			
89.00 Financing authority			1
90.00 Financing disbursements			1

Status of Direct Loans (in millions of dollars)

Identification code 36-4259-0-3-702	2005 actual	2006 est.	2007 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	3	3	4
1150 Total direct loan obligations	3	3	4
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	1	1
1231 Disbursements: Direct loan disbursements	3	3	3
1251 Repayments: Repayments and prepayments (-)	-3	-3	-3
1290 Outstanding, end of year	1	1	1

Balance Sheet (in millions of dollars)

Identification code 36-4259-0-3-702	2004 actual	2005 actual
ASSETS:		
Investments in US securities:		
1106 Federal assets: Fund assets: Fund Balance with Treasury		1
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross		1
1499 Net present value of assets related to direct loans		1
1999 Total assets		2
LIABILITIES:		
2103 Federal liabilities: Debt		2

2999 Total liabilities		2
4999 Total liabilities and net position		2

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8133-0-7-702	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	1	1	1
01.99 Balance, start of year	1	1	1
Receipts:			
02.00 Contributions, Post-Vietnam era veterans education account		1	1
02.20 Deductions from military pay, Post-Vietnam era veterans education account	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	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Payment to post-Vietnam era trainees	1	1	1
00.03 Participant disenrollments	2	2	1
10.00 Total new obligations	3	3	2
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	73	71	69
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	74	72	70
23.95 Total new obligations	-3	-3	-2
24.40 Unobligated balance carried forward, end of year	71	69	68
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	2
73.20 Total outlays (gross)	-3	-3	-2
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1	1	1
86.98 Outlays from mandatory balances	2	2	1
87.00 Total outlays (gross)	3	3	2
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	3	3	2

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-Volun-

teer Force Educational Assistance program (Montgomery GI Bill). The estimated activity in the fund follows:

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

(In millions of dollars)

	2005 actual	2006 est.	2007 est.
Total budget authority	\$1	\$1	\$1
Servicepersons contributions	\$1	\$0	\$0
Transferred from Department of Defense (bonus)	\$0	\$0	\$0
Transferred from Department of Defense (matching)	\$0	\$1	\$1
Transferred from Department of Defense (section 901)	\$0	\$0	\$0
Total participants (end of year)	195,715	193,897	192,301
Total contributors (end of year)	264	232	204
Average contribution per contributor (actual dollars)	\$1,175	\$1,175	\$1,175
Number of disenrollments	1,600	1,400	1,200
Total refunds	\$1	\$2	\$1
Total trainees	723	650	600
Total trainee cost	\$1	\$1	\$1
Average cost per trainee (actual dollars)	\$1,571	\$1,420	\$1,487
Section 901 trainees	35	28	27

Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702	2005 actual	2006 est.	2007 est.
41.0 Grants, subsidies, and contributions	1	1	1
44.0 Refunds	2	2	1
99.9 Total new obligations	3	3	2

NATIONAL SERVICE LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8132-0-7-701	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	9,492	9,134	8,727
Adjustments:			
01.90 Adjustments	-1		
01.99 Balance, start of year	9,491	9,134	8,727
Receipts:			
02.00 NSLI fund, Interest	682	632	587
02.01 NSLI fund, Payments from general and special funds	1	1	1
02.20 NSLI fund, Premium and other receipts	171	162	146
02.99 Total receipts and collections	854	795	734
04.00 Total: Balances and collections	10,345	9,929	9,461
Appropriations:			
05.00 National service life insurance fund	-855	-795	-734
05.01 National service life insurance fund	-356	-407	-455
05.99 Total appropriations	-1,211	-1,202	-1,189
07.99 Balance, end of year	9,134	8,727	8,272

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Death claims	677	684	690
00.02 Disability claims	10	9	8
00.03 Matured endowments	8	11	13
00.04 Cash surrenders	31	29	29
00.05 Dividends	269	235	207
00.06 Interest paid on dividend credits and deposits	55	54	50
00.07 Payment to Insurance account	22	23	24
00.91 Total operating expenses	1,072	1,045	1,021
02.01 Capital investment: Policy loans	61	61	59
02.93 Total direct obligations	1,133	1,106	1,080
09.01 Death claims	243	261	264
09.02 Disability Claims	4	4	3
09.03 Matured Endowments	3	4	5
09.04 Cash Surrenders	11	11	11
09.05 Dividends	97	90	79
09.06 Interest paid on dividend credits and deposits	19	20	19
09.07 Payment to Insurance account	8	9	9
09.09 Reimbursable program	385	399	390

10.00 Total new obligations	1,518	1,505	1,470
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,518	1,505	1,470
23.95 Total new obligations	-1,518	-1,505	-1,470

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	855	795	734
60.28 Appropriation (previously unavailable)	356	407	455
62.50 Appropriation (total mandatory)	1,211	1,202	1,189
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	307	303	281
70.00 Total new budget authority (gross)	1,518	1,505	1,470

Change in obligated balances:

72.40 Obligated balance, start of year	1,468	1,472	1,456
73.10 Total new obligations	1,518	1,505	1,470
73.20 Total outlays (gross)	-1,514	-1,521	-1,498
74.40 Obligated balance, end of year	1,472	1,456	1,428

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	1,514	1,098	1,014
86.98 Outlays from mandatory balances		423	484
87.00 Total outlays (gross)	1,514	1,521	1,498

Offsets:

Against gross budget authority and outlays:

Offsetting collections (cash) from:			
88.40 Repayments of loans	-98	-94	-88
88.40 Optional settlements	-2	-2	-2
88.40 Net income offsets adjustments	-207	-207	-191
88.90 Total, offsetting collections (cash)	-307	-303	-281

Net budget authority and outlays:

89.00 Budget authority	1,211	1,202	1,189
90.00 Outlays	1,207	1,218	1,217

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities: Par value	10,949	10,597	10,174
92.02 Total investments, end of year: Federal securities: Par value	10,597	10,174	9,690

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 declining 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	1,202,065	1,102,190	1,003,065
Insurance in force (dollars in millions)	\$13,198	\$12,256	\$11,345

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 \$10,761 million as of September 30, 2006 to \$10,208 million as of September 30, 2007. The actuarial estimate of policy obligations as of September 30, 2007, totals \$9,958 million, leaving a balance of \$250 million for contingency reserves.

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

NATIONAL SERVICE LIFE INSURANCE FUND—Continued

Status of Funds (in millions of dollars)

Identification code 36-8132-0-7-701	2005 actual	2006 est.	2007 est.
Unexpended balance, start of year:			
0100 Balance, start of year	10,961	10,606	10,183
Adjustments:			
0190 Adjustments	-2		
0199 Total balance, start of year	10,959	10,606	10,183
Cash income during the year:			
Current law:			
Receipts:			
1200 NSLI fund, Interest	682	632	587
1201 NSLI fund, Payments from general and special funds	1	1	1
Offsetting receipts (proprietary):			
1220 NSLI fund, Premium and other receipts	171	162	146
Offsetting collections:			
1280 National service life insurance fund	98	94	88
1281 National service life insurance fund	207	207	191
1282 National service life insurance fund	2	2	2
1299 Income under present law	1,161	1,098	1,015
3299 Total cash income	1,161	1,098	1,015
Cash outgo during year:			
Current law:			
4500 National service life insurance fund	-1,514	-1,521	-1,498
4599 Outgo under current law (-)	-1,514	-1,521	-1,498
6599 Total cash outgo (-)	-1,514	-1,521	-1,498
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	9	9	10
8701 National service life insurance fund	10,597	10,174	9,690
8799 Total balance, end of year	10,606	10,183	9,700
Commitments against unexpended balance, end of year:			
9900 Uncommitted balance, end of year	10,606	10,183	9,700

Object Classification (in millions of dollars)

Identification code 36-8132-0-7-701	2005 actual	2006 est.	2007 est.
Direct obligations:			
33.0 Investments and loans	61	61	59
42.0 Insurance claims and indemnities	726	733	740
43.0 Interest and dividends	346	312	281
99.0 Direct obligations	1,133	1,106	1,080
99.0 Reimbursable obligations	385	399	390
99.9 Total new obligations	1,518	1,505	1,470

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8150-0-7-701	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year	34	29	25
01.99 Balance, start of year	34	29	25
Receipts:			
02.00 Interest and profits on investments in public debt securities, USGLI	3	3	2
04.00 Total: Balances and collections	37	32	27
Appropriations:			
05.00 United States Government life insurance fund	-3	-3	-2
05.01 United States Government life insurance fund	-5	-4	-4
05.99 Total appropriations	-8	-7	-6
07.99 Balance, end of year	29	25	21

Program and Financing (in millions of dollars)

Identification code 36-8150-0-7-701	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Death claims	4	4	4

00.06 Interest paid on dividend credits and deposits	1	1	
09.01 Death Claims	1	1	1
09.02 Dividends	2	1	1
09.09 Reimbursable program	3	2	2
10.00 Total new obligations	8	7	6

Budgetary resources available for obligation:

22.00 New budget authority (gross)	8	7	6
23.95 Total new obligations	-8	-7	-6

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	3	3	2
60.28 Appropriation (previously unavailable)	5	4	4
62.50 Appropriation (total mandatory)	8	7	6

Change in obligated balances:

72.40 Obligated balance, start of year	16	15	13
73.10 Total new obligations	8	7	6
73.20 Total outlays (gross)	-9	-9	-8
74.40 Obligated balance, end of year	15	13	11

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	3	3	2
86.98 Outlays from mandatory balances	6	6	6
87.00 Total outlays (gross)	9	9	8

Net budget authority and outlays:

89.00 Budget authority	8	7	6
90.00 Outlays	9	9	8

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities: Par value	50	45	44
92.02 Total investments, end of year: Federal securities: Par value	45	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

	2005 actual	2006 est.	2007 est.
Number of policies	9,034	7,750	6,560
Insurance in force (dollars in millions)	\$28	\$24	\$20

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 \$41 million as of September 30, 2006, to \$35 million as of September 30, 2007, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2007, totals \$34 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	2005 actual	2006 est.	2007 est.
Unexpended balance, start of year:			
0100 Balance, start of year	50	44	38
0199 Total balance, start of year	50	44	38

Cash income during the year:				
Current law:				
Receipts:				
1200	Interest and profits on investments in public debt securities, USGLI	3	3	2
1299	Income under present law	3	3	2
3299	Total cash income	3	3	2
Cash outgo during year:				
Current law:				
4500	United States Government life insurance fund	-9	-9	-8
4599	Outgo under current law (-)	-9	-9	-8
6599	Total cash outgo (-)	-9	-9	-8
Unexpended balance, end of year:				
8700	Uninvested balance (net), end of year	-1	-6	-12
8701	United States Government life insurance fund	45	44	44
8799	Total balance, end of year	44	38	32

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	2005 actual	2006 est.	2007 est.	
Direct obligations:				
42.0	Insurance claims and indemnities	4	2	1
43.0	Interest and dividends	1	2	2
99.0	Direct obligations	5	4	3
99.0	Reimbursable obligations	3	3	3
99.9	Total new obligations	8	7	6

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
09.01	Death claims	68	82	86
09.02	Cash surrenders	4	5	4
09.03	Dividends	81	80	77
09.04	All other	28	32	31
09.05	Payments to Insurance account	6	6	6
09.06	Capital investment	14	14	14
10.00	Total new obligations	201	219	218
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	1,556	1,577	1,574
22.00	New budget authority (gross)	222	216	210
23.90	Total budgetary resources available for obligation	1,778	1,793	1,784
23.95	Total new obligations	-201	-219	-218
24.40	Unobligated balance carried forward, end of year	1,577	1,574	1,566
New budget authority (gross), detail:				
Mandatory:				
69.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	222	216	210
Change in obligated balances:				
72.40	Obligated balance, start of year	333	352	372
73.10	Total new obligations	201	219	218
73.20	Total outlays (gross)	-182	-199	-200
74.40	Obligated balance, end of year	352	372	390
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	182	199	200
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on Federal securities	-140	-136	-133
88.40	Interest on loans	-5	-5	-5
88.40	Insurance premiums earned	-61	-59	-57
88.40	Repayments of loans	-16	-16	-15
88.90	Total, offsetting collections (cash)	-222	-216	-210
Net budget authority and outlays:				
89.00	Budget authority			

90.00	Outlays	-40	-17	-10
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities:			
	Par value	1,888	1,928	1,945
92.02	Total investments, end of year: Federal securities:			
	Par value	1,928	1,945	1,955

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

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

Budget program—

Death claims.—Represents payments to designated beneficiaries.

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

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

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

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

POLICIES AND INSURANCE IN FORCE

	2005 actual	2006 est.	2007 est.
Number of policies	206,501	198,490	189,940
Insurance in force (dollars in millions)	\$2,490	\$2,431	\$2,370

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	2005 actual	2006 est.	2007 est.	
33.0	Investments and loans	14	14	14
42.0	Insurance claims and indemnities	83	99	103
43.0	Interest and dividends	104	106	101
99.9	Total new obligations	201	219	218

DEPARTMENTAL ADMINISTRATION

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, construction management services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is more than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, **[\$607,100,000]** \$399,000,000, to remain available until expended, **[of which \$532,010,000 shall be for Capital Asset Realignment for Enhanced**

CONSTRUCTION, MAJOR PROJECTS—Continued

Services (CARES) activities; and] of which [\$2,500,000] \$2,000,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (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 [2006] 2007, 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, [2006] 2007; and (2) by the awarding of a construction contract by September 30, [2007] 2008: *Provided further*, That the Secretary of Veterans Affairs shall promptly report in writing to the Committees on Appropriations of both Houses of Congress any approved major construction project in which obligations are not incurred within the time limitations established above[: *Provided further*, That none of the funds in this or any other Act may be used to reduce the mission, services or infrastructure, including land, of the 18 facilities on the Capital Asset Realignment for Enhanced Services (CARES) list requiring further study as specified by the Secretary of Veterans Affairs without prior approval of the Committees on Appropriations of both Houses of Congress]. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

[For an additional amount for “Construction, Major Projects”, \$367,500,000, to remain available until expended, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.]

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-0110-0-1-703	2005 actual	2006 est.	2007 est.
Receipts:			
02.20 Enhanced-use lease proceeds, MCCF		22	
Appropriations:			
05.00 Construction, major projects		-22	
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Medical Programs	389	350	578
00.02 National Cemeteries	31	79	93
00.04 Staff Offices	2	2	6
00.05 Regional Offices	1		
10.00 Total new obligations	423	431	677
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	937	996	1,563
22.00 New budget authority (gross)	482	998	400
23.90 Total budgetary resources available for obligation	1,419	1,994	1,963
23.95 Total new obligations	-423	-431	-677
24.40 Unobligated balance carried forward, end of year	996	1,563	1,286

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	459	607	399
40.20 Appropriation (special fund)		22	
40.30 Appropriations adjusted pursuant to PL 109-148			
Hurricane Supplemental		368	
40.35 Appropriation permanently reduced	-4		
42.00 Transferred from other accounts	26		
43.00 Appropriation (total discretionary)	481	997	399

Discretionary:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	482	998	400
Change in obligated balances:			
72.40 Obligated balance, start of year	201	478	491
73.10 Total new obligations	423	431	677
73.20 Total outlays (gross)	-146	-418	-520
74.40 Obligated balance, end of year	478	491	648
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	8	3
86.93 Outlays from discretionary balances	145	410	517
87.00 Total outlays (gross)	146	418	520
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	481	997	399
90.00 Outlays	145	417	519

Major

The “Construction, major projects” appropriations, fund construction projects costing more than \$7 million, and support new cemeteries in the vicinity of Bakersfield, CA; Birmingham, AL; Columbia/Greenville, SC; Jacksonville, FL; Sarasota County, FL; and Southeastern, PA; cemetery improvements and expansions in Dallas/Ft. Worth, TX; Gerald B.H. Solomon Saratoga, NY; Great Lakes, MI; Abraham Lincoln, IL; and Quantico, VA; fund facility improvements, realignments, and support seismic corrections as related to CARES in Milwaukee, WI; St. Louis, MO; Columbia, MO; Denver, CO; Long Beach, CA.; and American Lakes, WA.

Additional funds are provided to abate asbestos and other hazardous materials from Department-owned buildings, reimburse the Judgment Fund, improve facility security at Department-owned buildings, and support advance planning and design activities.

Object Classification (in millions of dollars)

Identification code 36-0110-0-1-703	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.3 Personnel compensation: Other than full-time per-			
manent	1	1	1
25.2 Other services	4	4	4
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
32.0 Land and structures	415	423	669
99.0 Direct obligations	422	430	676
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	423	431	677

Personnel Summary

Identification code 36-0110-0-1-703	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	6	6	6

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 section 8104(a)(3)(A) of title 38, United States Code, **[\$198,937,000] \$198,000,000**, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is equal to or less than the amount set forth in such section, [of which \$155,000,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities: *Provided*, That funds in this account shall be available] for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

[For an additional amount for "Construction, Minor Projects," \$1,800,000, to remain available until expended, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.]

Program and Financing (in millions of dollars)

Identification code 36-0111-0-1-703	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Medical programs	260	165	145
00.02 National Cemeteries	36	36	25
00.03 Staff Offices	1	6	9
00.04 Regional Offices	1	17	10
10.00 Total new obligations	298	224	189
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	114	61	38
22.00 New budget authority (gross)	245	201	198
23.90 Total budgetary resources available for obligation	359	262	236
23.95 Total new obligations	-298	-224	-189
24.40 Unobligated balance carried forward, end of year	61	38	47
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	267	199	198
40.30 Appropriations adjusted pursuant to PL 109-148			
Hurricane Supplemental		2	
40.35 Appropriation permanently reduced	-2		
41.00 Transferred to other accounts	-20		
43.00 Appropriation (total discretionary)	245	201	198
Change in obligated balances:			
72.40 Obligated balance, start of year	322	403	395
73.10 Total new obligations	298	224	189
73.20 Total outlays (gross)	-217	-232	-211
74.40 Obligated balance, end of year	403	395	373
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		36	36
86.93 Outlays from discretionary balances	217	196	175
87.00 Total outlays (gross)	217	232	211
Net budget authority and outlays:			
89.00 Budget authority	245	201	198
90.00 Outlays	217	232	211

Minor

The "Construction minor projects" appropriation, which funds construction projects costing less than \$7 million with a minor improvement component costing \$500,000 or more is used to improve the infrastructure of medical facilities and other Department owned facilities to reduce the risk

to patient life and safety, correct code deficiencies, improve national cemeteries and regional and staff offices.

Object Classification (in millions of dollars)

Identification code 36-0111-0-1-703	2005 actual	2006 est.	2007 est.
11.3 Personnel compensation: Other than full-time permanent	3	3	3
25.2 Other services	27	27	27
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
32.0 Land and structures	266	192	157
99.9 Total new obligations	298	224	189

Personnel Summary

Identification code 36-0111-0-1-703	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	50	56	56

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by sections 8131-8137 of title 38, United States Code, \$85,000,000, to remain available until expended. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Direct program activity	123	85	85
10.00 Total new obligations (object class 41.0)	123	85	85
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	22	3	3
22.00 New budget authority (gross)	104	85	85
23.90 Total budgetary resources available for obligation	126	88	88
23.95 Total new obligations	-123	-85	-85
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	105	85	85
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	104	85	85
Change in obligated balances:			
72.40 Obligated balance, start of year	261	287	280
73.10 Total new obligations	123	85	85
73.20 Total outlays (gross)	-97	-92	-94
74.40 Obligated balance, end of year	287	280	271
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	97	2	2
86.93 Outlays from discretionary balances		90	92
87.00 Total outlays (gross)	97	92	94
Net budget authority and outlays:			
89.00 Budget authority	104	85	85
90.00 Outlays	97	92	94

GRANTS FOR CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veterans cemeteries as authorized by section 2408 of title 38, United States Code, \$32,000,000, to remain available until expended.

GRANTS FOR CONSTRUCTION OF STATE VETERANS CEMETERIES—
Continued

(Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.)

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Grants to States	36	32	32
10.00 Total new obligations (object class 41.0)	36	32	32
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4		
22.00 New budget authority (gross)	32	32	32
23.90 Total budgetary resources available for obligation	36	32	32
23.95 Total new obligations	-36	-32	-32
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	32	32	32
Change in obligated balances:			
72.40 Obligated balance, start of year	31	46	55
73.10 Total new obligations	36	32	32
73.20 Total outlays (gross)	-21	-23	-27
74.40 Obligated balance, end of year	46	55	60
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	21	17	17
86.93 Outlays from discretionary balances		6	10
87.00 Total outlays (gross)	21	23	27
Net budget authority and outlays:			
89.00 Budget authority	32	32	32
90.00 Outlays	21	23	27

GENERAL OPERATING EXPENSES

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, **[\$1,410,520,000]** \$1,480,764,000: *Provided*, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: *Provided further*, That the Veterans Benefits Administration shall be funded at not less than **[\$1,053,938,000]** \$1,167,859,000: *Provided further*, That of the funds made available under this heading, not to exceed \$75,000,000 shall be available for obligation until September 30, **[2007]** 2008: *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.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$53,000, as authorized by chapter 31 of title 38, United States Code: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$4,242,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$305,000, which may be transferred to and merged with the appropriation for "General operating expenses". (Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.)

For an additional amount for "General Operating Expenses", \$24,871,000, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Compensation and pensions	922	916	924
00.02 Education	83	86	90
00.03 Vocational rehabilitation and counseling	133	139	149
00.04 Insurance	4	4	4
00.06 General administration	285	317	313
01.00 Direct Program by Activities—Subtotal (running)	1,427	1,462	1,480
09.01 Compensation and pensions	79	95	99
09.02 Education	1	2	2
09.04 Insurance	39	38	40
09.05 Housing	149	131	127
09.06 General administration	263	86	80
09.99 Total reimbursable program	531	352	348
10.00 Total new obligations	1,958	1,814	1,828
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	70	87	
22.00 New budget authority (gross)	1,971	1,727	1,835
22.30 Expired unobligated balance transfer to unexpired account	11		
23.90 Total budgetary resources available for obligation	2,052	1,814	1,835
23.95 Total new obligations	-1,958	-1,814	-1,828
23.98 Unobligated balance expiring or withdrawn	-7		
24.40 Unobligated balance carried forward, end of year	87		7
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,326	1,411	1,481
40.30 Appropriations adjusted pursuant to PL 109-148 (Hurricane Supplemental)		25	
40.35 Appropriation permanently reduced pursuant to P.L. 108-447	-11		
41.00 Transferred to other accounts		-61	
42.00 Transferred from other accounts	125		
43.00 Appropriation (total discretionary)	1,440	1,375	1,481
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	530	352	354
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	531	352	354
70.00 Total new budget authority (gross)	1,971	1,727	1,835
Change in obligated balances:			
72.40 Obligated balance, start of year	308	432	521
73.10 Total new obligations	1,958	1,814	1,828
73.20 Total outlays (gross)	-1,815	-1,725	-1,769
73.40 Adjustments in expired accounts (net)	-18		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	432	521	580
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,536	1,456	1,544
86.93 Outlays from discretionary balances	279	269	225
87.00 Total outlays (gross)	1,815	1,725	1,769

Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	- 531	- 352 - 354
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	- 1	
88.96	Portion of offsetting collections (cash) credited to expired accounts	1	
Net budget authority and outlays:			
89.00	Budget authority	1,440	1,375 1,481
90.00	Outlays	1,285	1,373 1,415

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

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

Identification code 36-0151-0-1-705	2005 actual	2006 est.	2007 est.
Direct loan levels supportable by subsidy budget authority:			
115001	Vocational Rehabilitation	3	3 4
115901	Total direct loan levels	3	3 4
Direct loan subsidy (in percent):			
132001	Subsidy rate	1.14	1.59 2.00
132901	Weighted average subsidy rate	0.00	0.00 0.00
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 Department's top management direction and administrative support, including 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.

Funding for non-personal services Information Technology is included in VA's Central IT fund beginning FY2006.

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 36-0151-0-1-705	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent	703	783 807
11.5	Other personnel compensation	135	153 158
11.9	Total personnel compensation	838	936 965
12.1	Civilian personnel benefits	216	249 255
21.0	Travel and transportation of persons	10	13 13
22.0	Transportation of things	2	4 4
23.1	Rent	101	119 123
23.3	Communications, utilities, and miscellaneous charges	31	40 41
24.0	Printing and reproduction	3	4 4
25.2	Other services	188	84 61
26.0	Supplies and materials	15	9 9
31.0	Equipment	23	4 5
99.0	Direct obligations	1,427	1,462 1,480
99.0	Reimbursable obligations	531	352 348
99.9	Total new obligations	1,958	1,814 1,828

Personnel Summary

Identification code 36-0151-0-1-705	2005 actual	2006 est.	2007 est.
Direct:			
1001	Civilian full-time equivalent employment ¹	12,824	13,466 13,646
Reimbursable:			
2001	Civilian full-time equivalent employment	2,258	2,221 2,239

¹Reflects 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, **[\$70,174,000, to] \$69,499,000, of which \$3,474,950 shall remain available until September 30, [2007] 2008. (Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.)**

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
01.01	Direct program	67	72 70
01.92	Total direct program	67	72 70
09.01	Reimbursable program	3	3 3
10.00	Total new obligations	70	75 73
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	2	3
22.00	New budget authority (gross)	72	72 73
23.90	Total budgetary resources available for obligation	74	75 73
23.95	Total new obligations	- 70	- 75 - 73
24.40	Unobligated balance carried forward, end of year	3	
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	70	70 70
40.35	Appropriation permanently reduced	- 1	
41.00	Transferred to other accounts		- 1
43.00	Appropriation (total discretionary)	69	69 70
Discretionary:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	3	3 3
70.00	Total new budget authority (gross)	72	72 73
Change in obligated balances:			
72.40	Obligated balance, start of year	13	16 21
73.10	Total new obligations	70	75 73
73.20	Total outlays (gross)	- 67	- 70 - 71
73.40	Adjustments in expired accounts (net)	- 1	
74.40	Obligated balance, end of year	16	21 23
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	56	60 61
86.93	Outlays from discretionary balances	11	10 10
87.00	Total outlays (gross)	67	70 71
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	69	69 70
90.00	Outlays	64	67 68

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. The inves-

OFFICE OF INSPECTOR GENERAL—Continued

tigative 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.

Funding for the Inspector General's non-personal services Information Technology (IT) program is provided through VA's Central IT fund beginning FY 2006.

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	41	47	45
12.1 Civilian personnel benefits	12	14	13
21.0 Employee Travel	3	3	3
23.1 Rental payments to GSA	3	3	4
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	5	3	3
26.0 Supplies and materials	1	1	1
31.0 Equipment	1		
99.0 Direct obligations	67	72	70
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	70	75	73

Personnel Summary

Identification code 36-0170-0-1-705	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	429	485	458
Reimbursable:			
2001 Civilian full-time equivalent employment	25	25	25

INFORMATION TECHNOLOGY SYSTEMS

For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by chapter 3109 of title 5, United States Code, **[\$1,213,820,000] \$1,257,000,000**, to remain available until September 30, **[2007] 2008: Provided**, That none of these funds may be obligated until the Department of Veterans Affairs submits to the Committees on Appropriations of both Houses of Congress[, and such Committees approve,] a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget; (2) complies with the Department of Veterans Affairs enterprise architecture; (3) conforms with an established enterprise life cycle methodology; and (4) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government: *Provided further*, That within **[30] 60** days of enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a reprogramming base letter which provides, by project, the costs included in this appropriation. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

Program and Financing (in millions of dollars)

Identification code 36-0167-0-1-705	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Veterans Health Administration		810	832
00.02 Veterans Benefits Administration		60	55
00.03 National Cemetery Administration		4	4
00.04 General administration and other		340	366
01.00 Direct Program by Activities—Subtotal		1,214	1,257
09.01 Credit administration		19	22
09.02 Insurance administration		3	4
09.03 Education administration		5	

09.09 Reimbursable program—Subtotal	27	26
10.00 Total new obligations	1,241	1,283

Budgetary resources available for obligation:

22.00 New budget authority (gross)	1,241	1,283
23.95 Total new obligations	-1,241	-1,283
24.40 Unobligated balance carried forward, end of year		

New budget authority (gross), detail:

Discretionary:		
40.00 Appropriation	1,214	1,257
Discretionary:		
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	27	26
70.00 Total new budget authority (gross)	1,241	1,283

Change in obligated balances:

72.40 Obligated balance, start of year		496
73.10 Total new obligations	1,241	1,283
73.20 Total outlays (gross)	-745	-1,205
74.40 Obligated balance, end of year	496	574

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	745	771
86.93 Outlays from discretionary balances		434
87.00 Total outlays (gross)	745	1,205

Offsets:

Against gross budget authority and outlays:		
88.00 Offsetting collections (cash) from: Federal sources	-27	-26

Net budget authority and outlays:

89.00 Budget authority	1,214	1,257
90.00 Outlays	718	1,179

Object Classification (in millions of dollars)

Identification code 36-0167-0-1-705	2005 actual	2006 est.	2007 est.
Direct obligations:			
23.1 Rental payments to GSA		20	21
23.3 Communications, utilities, and miscellaneous charges		50	52
25.2 Other services		400	414
25.3 Other purchases of goods and services from Government accounts		240	249
31.0 Equipment		504	521
99.0 Direct obligations	1,214	1,257	
99.0 Reimbursable obligations	27	26	
99.9 Total new obligations	1,241	1,283	

NATIONAL CEMETERY ADMINISTRATION

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; and hire of passenger motor vehicles, **[\$156,447,000: Provided**, That of the funds made available under this heading, **]** **\$160,733,000**, of which not to exceed **[\$7,800,000] \$8,037,000** shall be available until September 30, **[2007] 2008**. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

[For an additional amount for "National Cemetery Administration", \$200,000, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.**]**

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
02.01 Administrative expenses	147	153	161
10.00 Total new obligations	147	153	161
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	2	
22.00 New budget authority (gross)	148	149	161
22.30 Expired unobligated balance transfer to unexpired account	2	2	
23.90 Total budgetary resources available for obligation	151	153	161
23.95 Total new obligations	-147	-153	-161
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	2		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	149	156	161
40.35 Appropriation permanently reduced pursuant to P.L. 108-447	-1		
41.00 Transferred to other accounts		-7	
43.00 Appropriation (total discretionary)	148	149	161
Change in obligated balances:			
72.40 Obligated balance, start of year	33	30	37
73.10 Total new obligations	147	153	161
73.20 Total outlays (gross)	-147	-146	-156
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	30	37	42
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	123	120	129
86.93 Outlays from discretionary balances	24	26	27
87.00 Total outlays (gross)	147	146	156
Net budget authority and outlays:			
89.00 Budget authority	148	149	161
90.00 Outlays	147	146	156

The mission of the National Cemetery Administration is to honor veterans with final resting places in national shrines and with lasting tributes that commemorate their service to our Nation. The National Cemetery Administration's vision is to serve all veterans and their families with the utmost dignity, respect, and compassion. Every national cemetery will be a place that inspires visitors to understand and appreciate the service and sacrifice of our Nation's veterans. There are four related programs managed by the National Cemetery Administration including: (1) burying eligible veterans and their family members in national cemeteries and maintaining the graves and their environs as national shrines; (2) administering grants to States in establishing, expanding, or improving State veteran cemeteries; (3) providing headstones and markers for the graves of eligible veterans in national, State, and private cemeteries; and (4) providing presidential memorial certificates to family and friends of deceased veterans, recognizing the veterans' contribution and service to the Nation.

The National Cemetery Administration also reflects budget information for the National Cemetery Gift Fund and the National Cemetery Administration Facilities Operation Fund. Through the Gift Fund, the Secretary is authorized to accept gifts and bequests which are made for the purpose of beautifying national cemeteries or are determined to be beneficial to such cemeteries, or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona. Through the Facilities Operation Fund, the Secretary is authorized to lease any undeveloped land and unused or underutilized buildings of the National Cemetery Administration, or parts or parcels thereof,

for a term not to exceed 10 years. Proceeds from such leases are deposited in the Facilities Operation Fund, and are available to cover costs incurred by the National Cemetery Administration in the operation and maintenance of property of the Administration.

Object Classification (in millions of dollars)

Identification code 36-0129-0-1-705	2005 actual	2006 est.	2007 est.
Personnel compensation:			
11.1 Full-time permanent	70	73	76
11.3 Other than full-time permanent	4	4	4
11.9 Total personnel compensation	74	77	80
12.1 Civilian personnel benefits	23	24	26
21.0 Travel and transportation of persons	2	3	3
22.0 Transportation of things	1	1	1
23.1 Rent	1	1	1
23.3 Communications, utilities, and miscellaneous charges	5	4	4
24.0 Printing and reproduction	1	1	1
25.2 Other services	26	29	33
26.0 Supplies and materials	7	7	7
31.0 Equipment	6	6	5
32.0 Land and structures	1		
99.9 Total new obligations	147	153	161

Personnel Summary

Identification code 36-0129-0-1-705	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment	1,523	1,566	1,589

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
09.01 Reimbursable program-COGS-Merchandizing	1,744	2,092	2,588
09.02 Reimbursable program-Other-Operations	82	89	91
09.03 Reimbursable program-COGS-Printing and Publications	8	10	12
09.04 Reimbursable program-Other	2	1	1
09.05 Reimbursable program-Equipment-Procurement Services and Distribution	3	1	1
10.00 Total new obligations	1,839	2,193	2,693
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	278	658	658
22.00 New budget authority (gross)	2,219	2,193	2,693
23.90 Total budgetary resources available for obligation	2,497	2,851	3,351
23.95 Total new obligations	-1,839	-2,193	-2,693
24.40 Unobligated balance carried forward, end of year	658	658	658
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash)	1,737	2,193	2,693
69.10 Change in uncollected customer payments from Federal sources (unexpired)	482		
69.90 Spending authority from offsetting collections (total mandatory)	2,219	2,193	2,693
Change in obligated balances:			
72.40 Obligated balance, start of year	643	-95	-95
73.10 Total new obligations	1,839	2,193	2,693
73.20 Total outlays (gross)	-2,095	-2,193	-2,693
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-482		
74.40 Obligated balance, end of year	-95	-95	-95
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2,095	2,193	2,693

SUPPLY FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4537-0-4-705	2005 actual	2006 est.	2007 est.	
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-1,688	-2,193	-2,693
88.40	Non-Federal sources	-49		
88.90	Total, offsetting collections (cash)	-1,737	-2,193	-2,693
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-482		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	358		

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 2007, Supply Fund sales are estimated to reach \$2.4 billion.

Operating results.—The Fund operated at a loss of \$3.0 million in 2005. The new total of retained earnings is \$93 million. Operating expense as related to sales was 5 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	2005 actual	2006 est.	2007 est.	
Personnel compensation:				
11.1	Full-time permanent	30	36	37
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	31	37	38
12.1	Civilian personnel benefits	7	9	7
21.0	Travel and transportation of persons	4	6	6
22.0	Transportation of things	5	10	10
23.1	Rental payments to GSA	2	3	2
23.3	Communications, utilities, and miscellaneous charges	2	1	2
24.0	Printing and reproduction	8	8	9
25.1	Advisory and assistance services	831	1,082	1,421
26.0	Supplies and materials	708	701	744
31.0	Equipment	241	336	454
99.9	Total new obligations	1,839	2,193	2,693

Personnel Summary

Identification code 36-4537-0-4-705	2005 actual	2006 est.	2007 est.	
Reimbursable:				
2001	Civilian full-time equivalent employment	413	469	473

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	2005 actual	2006 est.	2007 est.	
Obligations by program activity:				
09.01	Reimbursable program	259	393	427
10.00	Total new obligations	259	393	427
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	76	89	89
22.00	New budget authority (gross)	272	393	427
23.90	Total budgetary resources available for obligation	348	482	516
23.95	Total new obligations	-259	-393	-427
24.40	Unobligated balance carried forward, end of year	89	89	89
New budget authority (gross), detail:				
Mandatory:				
69.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	272	393	427
Change in obligated balances:				
72.40	Obligated balance, start of year	20	22	22
73.10	Total new obligations	259	393	427
73.20	Total outlays (gross)	-231	-393	-427
74.10	Change in uncollected customer payments from Federal sources (expired)	-26		
74.40	Obligated balance, end of year	22	22	22
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	231	393	427
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-272	-393	-427
88.00	Federal sources	26		
88.90	Total, offsetting collections (cash)	-246	-393	-427
Against gross budget authority only:				
88.96	Portion of offsetting collections (cash) credited to expired accounts	-26		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-15		

VA Franchise Fund has permanent authority under P.L. 104-204, as amended by P.L. 109-114. 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 \$426 million and employ 744.

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	2005 actual	2006 est.	2007 est.	
11.1	Personnel compensation: Full-time permanent	45	49	51
12.1	Civilian personnel benefits	10	11	12
21.0	Travel and transportation of persons	1	4	3
23.1	Rental payments to GSA	4	1	1
23.3	Communications, utilities, and miscellaneous charges	30	34	37
24.0	Printing and reproduction	2	6	6
25.2	Other services	155	273	304
26.0	Supplies and materials	2	2	2
31.0	Equipment	10	13	11
99.9	Total new obligations	259	393	427

Personnel Summary

Identification code 36-4539-0-4-705	2005 actual	2006 est.	2007 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	688	745	744

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2005 actual	2006 est.	2007 est.
Offsetting receipts from the public:			
36-247300 Contributions from military personnel, Veteran's Educational Assistance Act of 1984	198	198	198
36-273330 Housing downward reestimates	1,021	1,293	.....
36-275510 Housing negative subsidies	84	125	147
General Fund Offsetting receipts from the public	1,303	1,616	345

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 201. Any appropriation for fiscal year [2006] 2007 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred as necessary to any other of the mentioned appropriations: *Provided*, That before a transfer may take place, the Secretary of Veterans Affairs shall [request from] *submit notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is issued, or absent a response,] *and* a period of 30 days has elapsed.

SEC. 202. Appropriations available in this title for salaries and expenses shall be available for services authorized by section 3109 of title 5, United States Code, hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by sections 5901-5902 of title 5, United States Code.

[SEC. 203. No appropriations in this title (except the appropriations for "Construction, major projects", and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.]

SEC. [204] 203. No appropriations in this title 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 sections 7901-7904 of title 5, United States Code or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)), unless reimbursement of cost is made to the "Medical services" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. [205] 204. Appropriations available in this title for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year [2005] 2006.

SEC. [206] 205. Appropriations available in this title shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from sections 3328(a), 3334, and 3712(a) of title 31, United States Code, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. [207] 206. Notwithstanding any other provision of law, during fiscal year [2006] 2007, 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 [2006] 2007 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 [2006] 2007 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. 208. The paragraph under the heading "Franchise Fund" in title I of Public Law 104-204 (31 U.S.C. 501 note) is amended—

- (1) by striking "franchise fund pilot, as authorized by section 403 of Public Law 103-356, to be available as provided in such section" and inserting "Department of Veterans Affairs franchise fund, to be available without fiscal year limitation"; and
- (2) by striking the final proviso.]

SEC. [209] 207. 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. [210] 208. Funds available in this title 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 [\$29,758,000] \$31,246,000 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. 211. No appropriations in this title 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 both Houses of Congress approve within 30 days following the date on which the report is received.]

SEC. [212] 209. 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. [213] 210. 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) may be deposited into the "Construction, major projects" and "Construction, minor projects" accounts and be used for construction (including site acquisition and disposition), alterations and improvements of any medical facility under the jurisdiction or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in "Construction, major projects" and "Construction, minor projects".

SEC. [214] 211. Amounts made available under "Medical services" are available—

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

(INCLUDING TRANSFER OF FUNDS)

SEC. [215] 212. [That such] *Such* sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to "Medical services", to remain available until expended for the purposes of this account.

(INCLUDING TRANSFER OF FUNDS)

SEC. [216] 213. Amounts made available for fiscal year [2006] 2007 under the "Medical services", "Medical administration", and "Medical facilities" accounts may be transferred among the accounts to the extent necessary to implement the restructuring of the Veterans Health Administration accounts: *Provided*, That before a trans-

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

fer may take place, the Secretary of Veterans Affairs shall [request from] *submit notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is issued].

(INCLUDING TRANSFER OF FUNDS)

[SEC. 217. Any appropriation for fiscal year 2006 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 fiscal year.]

SEC. [218] 214. Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall allow veterans eligible under existing Department of Veterans Affairs medical care requirements and who reside in Alaska to obtain medical care services from medical facilities supported by the Indian Health Service or tribal organizations. The Secretary shall: (1) limit the application of this provision to rural Alaskan veterans in areas where an existing Department of Veterans Affairs facility or Veterans Affairs-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 Capital Asset Realignment for Enhanced Services activities; and (4) result in no additional cost to the Department of Veterans Affairs or the Indian Health Service.

(INCLUDING TRANSFER OF FUNDS)

SEC. [219] 215. [That such] *Such* sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to section 8118 of title 38, United States Code, may be transferred to the “Construction, major projects” and “Construction, minor projects” accounts, to remain available until expended for the purposes of these accounts.

[SEC. 220. None of the funds available to the Department of Veterans Affairs, in this Act or any other Act, may be used to replace the current system by which the Veterans Integrated Service Networks select and contract for diabetes monitoring supplies and equipment.]

[SEC. 221. 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. [222] 216. The Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a quarterly report on the financial status of the Veterans Health Administration.

[SEC. 223. None of the funds made available in this Act or any other Act may be used—

(1) with respect to the 2,100 compensation cases identified in the Scope and Methodology description in VA Inspector General Report No. 05–00765–137 as having been reviewed by the Office of Inspector General—

(A) to retroactively revoke or reduce a veteran’s disability compensation payments for post traumatic stress disorder based on a finding that the Department of Veterans Affairs failed to collect justifying documentation unless the award of compensation was the direct result of fraud by the applicant; or

(B) to prospectively revoke or reduce a veteran’s disability compensation payments for post traumatic stress disorder, based on a finding that the Department of Veterans Affairs failed to collect justifying documentation, effective before the date on which the veteran’s time to exhaust all available administrative and judicial appeals has expired or such administrative and judicial appeals are finally decided; or

(2) for the implementation of Recommendation 3 of VA Inspector General Report No. 05–00765–137 or any related review and investigation of post traumatic stress, individual unemployability, and schedular 100 percent ratings cases, until the Department of Veterans Affairs reports to the Committees on Appropriations of both Houses of Congress on its plans for implementing this recommendation, and outlines the staffing and funding requirements.]

[SEC. 224. CLINICAL TRAINING AND PROTOCOLS. (a) FINDINGS.—Congress finds that—

(1) the Iraq War Clinician Guide has tremendous value; and
(2) the Secretary of Defense and the National Center on Post Traumatic Stress Disorder should continue to work together to ensure that the mental health care needs of servicemembers and veterans are met.

(b) COLLABORATION.—The National Center on Post Traumatic Stress Disorder shall collaborate with the Secretary of Defense—

(1) to enhance the clinical skills of military clinicians through training, treatment protocols, web-based interventions, and the development of evidence-based interventions; and

(2) to promote pre-deployment resilience and post-deployment readjustment among servicemembers serving in Operation Iraqi Freedom and Operation Enduring Freedom.

(c) TRAINING.—The National Center on Post Traumatic Stress Disorder shall work with the Secretary of Defense to ensure that clinicians in the Department of Defense are provided with the training and protocols developed pursuant to subsection (b)(1).]

(INCLUDING TRANSFER OF FUNDS)

[SEC. 225. Amounts made available under the “Medical administration”, “Medical services”, “Medical facilities”, “General operating expenses”, “National Cemetery Administration” and “Office of Inspector General” accounts for fiscal year 2006, may be transferred to or from the “Information technology systems” account: *Provided*, That before a transfer may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.]

(INCLUDING TRANSFER OF FUNDS)

[SEC. 226. For purposes of perfecting the funding sources of the Department of Veterans Affairs’ new “Information technology systems” account, funds made available for fiscal year 2006 may be transferred from the “General operating expenses”, “National Cemetery Administration”, and “Office of Inspector General” accounts to the “Medical administration” account: *Provided*, That before a transfer may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.]

(INCLUDING TRANSFER OF FUNDS)

SEC. [227] 217. Amounts made available for the “Information technology systems” account may be transferred between projects: *Provided*, That no project may be increased or decreased by more than \$1,000,000 of cost prior to submitting [a request] *notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is issued, or absent a response,] and a period of 30 days has elapsed.

[SEC. 228. The Department of Veterans Affairs shall conduct an information campaign in States with an average annual disability compensation payment of less than \$7,300 (according to the report issued by the Department of Veterans Affairs Office of Inspector General on May 19, 2005), to inform all veterans receiving disability compensation, by direct mail, of the history of below average disability compensation payments to veterans in such States, and to provide all veterans in each such State, through broadcast or print advertising, with the aforementioned historical information and instructions for submitting new claims and requesting review of past disability claims and ratings.]

[SEC. 229. Of the funds available to the Department of Veterans Affairs in this Act or any other Act, no more than \$50,000,000 shall be available for the HealtheVetVista project, for fiscal year 2006: *Provided*, That none of the funds made available for the HealtheVetVista project may be obligated until the Committees on Appropriations of both Houses of Congress approve a financial expenditure plan for the entire project.]

SEC. [230] 217. The authority provided by section 2011 of title 38, United States Code, shall continue in effect through September 30, [2006] 2007. (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)

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. Such sums as may be necessary for fiscal year **[2006]** 2007 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 403. 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. 404. 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. 405. 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. 406. 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 appropriations Act.]

SEC. **[407]** 406. Unless stated otherwise, all reports and notifications required by this Act shall be submitted to the Subcommittee on Military Quality of Life and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives and the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate.

[SEC. 408. (a) Section 613 of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006, is amended by striking “the United States-China Economic and Security Review Commission”, and inserting “a grant for the Trade Lawyers Advisory Group”.

(b) The amendment made by paragraph (1) shall take effect on the date of enactment of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006.] (*Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006.*)