

DEPARTMENT OF VETERANS AFFAIRS

The 2008 budget provides \$41,769 million in gross discretionary funding for veterans health, benefits, and other services, including \$39,417 million in net discretionary budget authority and \$2,352 million in anticipated medical collections. The 2008 budget estimates reflect the reorganization of Information Technology (IT) functions within VA to improve the management of the IT program. The reorganization consolidates all IT personnel performing operations and maintenance functions throughout VA under the control of the VA Chief Information Officer. Based on the funding authority under the continuing resolution, this IT realignment is not reflected in the 2007 estimates.

VETERANS HEALTH ADMINISTRATION

Federal 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 38 U.S.C. 1705(a), including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment, food services, and salaries and expenses of health-care employees hired under title 38, United States Code, and aid to State homes as authorized by 38 U.S.C. 1741; \$27,167,671,000, plus reimbursements of which not to exceed \$1,100,000,000 shall be available until September 30, 2009: Provided further, That, notwithstanding 38 U.S.C. 1705, 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 38 U.S.C. 1710, 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 38 U.S.C. 1710, 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 38 U.S.C. 8111(d), a minimum of \$15,000,000, to remain available until expended, for any purpose authorized by 38 U.S.C. 8111.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-0160-0-1-703	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	156	169	169
01.99 Balance, start of year	156	169	169
Receipts:			
02.20 Pharmaceutical co-payments, MCCF	723	842	915
02.21 Enhanced-use lease proceeds, MCCF	3	1	1
02.22 First party collections, MCCF	136	138	138
02.23 Third party collections, MCCF	1,096	1,173	1,254
02.24 Parking fees, MCCF	3	3	3
02.25 Compensated work therapy, MCCF	40	36	36
02.26 MCCF, Long-term care copayments	4	4	4
02.40 Payments from compensation and pension, MCCF	2	1	1
02.99 Total receipts and collections	2,007	2,198	2,352
04.00 Total: Balances and collections	2,163	2,367	2,521
Appropriations:			

05.00 Medical services	-1,994	-2,198	-2,352
07.99 Balance, end of year	169	169	169

Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Acute hospital care	4,906	6,600	6,858
00.02 Rehabilitative care	313	355	365
00.03 Psychiatric care	796	962	1,014
00.04 Nursing home care	2,265	2,450	2,590
00.05 Subacute care	91	122	129
00.06 Residential care	212	256	265
00.07 Outpatient care	14,469	14,116	16,819
00.08 CHAMPVA	631	765	913
00.91 Total operating expenses	23,683	25,626	28,953
01.01 Acute hospital care	223	23	126
01.02 Rehabilitative care	17	2	9
01.03 Psychiatric care	36	4	20
01.04 Nursing home care	82	8	47
01.05 Subacute care	5	1	3
01.06 Residential care	8	1	5
01.07 Outpatient care	631	63	357
01.91 Total capital investment	1,002	102	567
02.93 Total direct program	24,685	25,728	29,520
09.01 Reimbursable program	148	156	163
10.00 Total new obligations	24,833	25,884	29,683
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	949	401	.....
22.00 New budget authority (gross)	24,287	25,483	29,683
23.90 Total budgetary resources available for obligation	25,236	25,884	29,683
23.95 Total new obligations	-24,833	-25,884	-29,683
23.98 Unobligated balance expiring or withdrawn	-2	.....	.....
24.40 Unobligated balance carried forward, end of year	401	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	22,970	23,129	27,168
40.20 Appropriation (special fund)	1,994	2,198	2,352
40.35 Appropriation permanently reduced (P.L. 109-234)	-198	.....	.....
41.00 Transferred to other accounts	-627	.....	.....
43.00 Appropriation (total discretionary)	24,139	25,327	29,520
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	138	156	163
58.10 Change in uncollected customer payments from Federal sources (unexpired)	10	.....	.....
58.90 Spending authority from offsetting collections (total discretionary)	148	156	163
70.00 Total new budget authority (gross)	24,287	25,483	29,683
Change in obligated balances:			
72.40 Obligated balance, start of year	2,717	3,474	4,005
73.10 Total new obligations	24,833	25,884	29,683
73.20 Total outlays (gross)	-24,015	-25,353	-29,113
73.40 Adjustments in expired accounts (net)	-73	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-10	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	22	.....	.....
74.40 Obligated balance, end of year	3,474	4,005	4,575
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	19,628	21,821	25,598
86.93 Outlays from discretionary balances	4,387	3,532	3,515
87.00 Total outlays (gross)	24,015	25,353	29,113

MEDICAL SERVICES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	2006 actual	2007 est.	2008 est.
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	- 80	- 78	- 82
88.40 Non-Federal sources	- 80	- 78	- 81
88.90 Total, offsetting collections (cash)	- 160	- 156	- 163
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	- 10		
88.96 Portion of offsetting collections (cash) credited to expired accounts	22		
Net budget authority and outlays:			
89.00 Budget authority	24,139	25,327	29,520
90.00 Outlays	23,855	25,197	28,950

For 2008, the budget requests total resources for the VA Medical Services appropriation of \$29.5 billion. This includes \$27.2 billion in appropriated budget authority and \$2.3 billion to be collected in the Medical Care Collections Fund.

The budget is proposing a set of revenue legislative proposals that are not reflected in the Medical Services appropriation request. These proposals are discussed at the end of the narrative for Medical Services. The appropriation request reflects the full funding request for Medical Services to care for our veterans.

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).

In 2008, VA will realign 5,689 full-time equivalents and \$400 million for food service operations from the Medical Facilities appropriation to the Medical Services appropriation. The cost for food service operations will support hospital food service workers, provisions, and supplies which are related to the direct care of our patients rather than the operations of the VA medical facilities.

Medical Care Collections Fund (MCCF).—VA estimates collections of more than \$2.3 billion, representing 6 percent of available resources. VA has the authority to collect inpatient and outpatient co-payments, medication co-payments, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for nonservice-connected conditions; and authority to collect revenue from enhanced use leases. 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 2008 are estimated to be \$6,984 million for operating medical, neurological, surgical, contract and State home hospital beds.

Estimated operating levels are:

	2006 actual	2007 est.	2008 est.
Patients treated	528,143	548,470	553,521
Average daily census	8,426	8,874	8,925
Average employment	31,304	31,560	34,469

Rehabilitative care.—Costs for 2008 are estimated to be \$374 million for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	2006 actual	2007 est.	2008 est.
Patients treated	14,175	14,431	14,262
Average daily census	1,119	1,138	1,126
Average employment	3,045	3,070	3,498

Psychiatric care.—Costs for 2008 are estimated to be \$1,034 million for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

	2006 actual	2007 est.	2008 est.
Patients treated	101,895	104,194	102,807
Average daily census	4,394	4,141	4,038
Average employment	7,507	7,876	8,392

Nursing home care.—Costs for 2008 are estimated to be \$2,637 million for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	2006 actual	2007 est.	2008 est.
Patients treated	87,945	90,729	90,104
Average daily census	34,137	34,040	34,175
Average employment	16,148	16,279	17,496

Noninstitutional extended care.—Costs for 2008 are estimated to be \$491 million 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:

	2006 actual	2007 est.	2008 est.
Average daily census	29,489	37,237	44,336

Subacute care.—Costs for 2008 are estimated to be \$132 million 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:

	2006 actual	2007 est.	2008 est.
Patients treated	12,726	12,062	11,820
Average daily census	372	324	314
Average employment	833	833	833

Residential care.—Costs for 2008 are estimated to be \$270 million for the care of veterans in locations other than their own homes, such as domiciliary care programs.

Estimated operating levels are:

	2006 actual	2007 est.	2008 est.
Patients treated	28,715	29,653	29,307
Average daily census	8483	8,380	8,297
Average employment	1,653	1,667	2,286

Outpatient care.—Costs for 2008 are estimated to be \$16,847 million for 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

	2006 actual	2007 est.	2008 est.
Medical visits (in thousands):			
Staff visits	53,381	57,279	59,619
Fee visits	5,643	5,949	6,604
Readjustment counseling	1,170	1,185	1,200
Total	60,194	64,413	67,423
Dental:			
Staff:			
Examinations	507,812	588,000	630,000
Treatments	336,402	392,658	420,144
Total	844,214	980,658	1,050,144

Fee: Cases completed	37,707	42,000	42,000
Average employment	74,696	76,363	76,840

Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).—Costs for 2008 are estimated to be \$913 million for private hospital and outpatient care for dependents and survivors of certain veterans. Estimated operating levels are:

	2006 actual	2007 est.	2008 est.
Average daily hospital census	628	683	743
Outpatient (in thousands)	5,724	6,175	6,728

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.

	2006 actual	2007 est.	2008 est.
Clinical Practice Guidelines Index II	83%	84%	85%
Prevention Index III	88%	88%	88%
Percent of patients rating VA health care service as very good or excellent:			
Inpatient	78%	78%	79%
Outpatient	78%	78%	79%

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.

	2006 actual	2007 est.	2008 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	94%	95%	95%
Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline	baseline	26.3%	19.1%

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

	2006 actual	2007 est.	2008 est.
Documented increases in the use of joint procurement contracts	152M	170M	200M

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.

MEDICAL SERVICES LEGISLATIVE PROPOSALS

The budget is proposing a set of legislative proposals that are not reflected in the Medical Services appropriation request. Authorizing legislation for these proposals will be transmitted separately from the budget to the authorizing committees of Congress. This legislation will propose three changes to VA's fee structure that will result in additional receipts to the Treasury. These additional receipts will be classified as mandatory and will not reduce the Medical Services appropriation request, which has been made in full.

These proposals will: assess a tiered annual enrollment fee based on the family income of the veteran; increase the pharmacy co-payment from \$8 to \$15 for all Priority 7 and Priority 8 veterans; and eliminate the third-party offset to first-party debt.

The first proposal is the tiered annual enrollment fee which is structured to charge \$250 for veterans with family incomes from \$50,000 to \$74,999; \$500 for those with family incomes from \$75,000 to \$99,999; and \$750 for those with family incomes equal to or greater than \$100,000. This proposal is

estimated to contribute over \$138 million to the Treasury annually, beginning in 2009, and will increase receipts over five years by \$526 million.

The second proposal is the pharmacy co-payment proposal which is projected to contribute \$311 million to the Treasury beginning in 2008 and will increase receipts by \$1.6 billion over five years.

The third proposal eliminates the current practice of VA offsetting or reducing third-party billings to insurance companies based upon the direct co-payment responsibilities of the veteran. This proposal will increase receipts by \$44 million beginning in FY 2008 and \$217 million over five years.

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	8,381	9,092	10,309
11.3 Other than full-time permanent	176	192	219
11.5 Other personnel compensation	963	1,044	1,183
11.9 Total personnel compensation	9,520	10,328	11,711
12.1 Civilian personnel benefits	2,597	2,815	3,166
13.0 Benefits for former personnel	12	20	47
21.0 Employee travel	35	37	38
21.0 Beneficiary travel	199	207	215
21.0 All other	43	44	46
22.0 Transportation of things	13	14	14
23.3 Communications, utilities, and miscellaneous charges	175	182	190
24.0 Printing and reproduction	1	1	1
25.2 Other contractual services	2,193	2,449	2,840
25.6 Outpatient dental fees	73	100	140
25.6 Medical and nursing fees	707	735	764
25.6 Community nursing homes	317	343	363
25.6 Contract hospitalization	672	699	783
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)	457	574	685
26.0 Medical supplies and materials	6,139	6,485	7,280
31.0 Equipment	1,000	102	567
32.0 Medical land and structures	2		
41.0 Medical grants, subsidies, and contributions	466	501	563
41.0 Medical grants to private organizations	64	92	107
99.0 Direct obligations	24,685	25,728	29,520
99.0 Reimbursable obligations	148	156	163
99.9 Total new obligations	24,833	25,884	29,683

Employment Summary

Identification code 36-0160-0-1-703	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	133,145	135,570	141,642
Reimbursable:			
2001 Civilian full-time equivalent employment	2,041	2,078	2,172

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	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity	28	32	20
10.00 Total new obligations	28	32	20
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	55	57	25
22.00 New budget authority (gross)	30		
23.90 Total budgetary resources available for obligation	85	57	25
23.95 Total new obligations	-28	-32	-20
24.40 Unobligated balance carried forward, end of year	57	25	5

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

Program and Financing (in millions of dollars)—Continued

Identification code 36-0165-0-1-703	2006 actual	2007 est.	2008 est.
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	30		
43.00 Appropriation (total discretionary)	30		
Change in obligated balances:			
72.40 Obligated balance, start of year	4	25	34
73.10 Total new obligations	28	32	20
73.20 Total outlays (gross)	-7	-23	-15
74.40 Obligated balance, end of year	25	34	39
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	7	23	15
Net budget authority and outlays:			
89.00 Budget authority	30		
90.00 Outlays	7	23	15

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. In FY 2008, each Secretary shall contribute a minimum of \$15 million to the fund after the appropriation is enacted.

Object Classification (in millions of dollars)

Identification code 36-0165-0-1-703	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.1 Advisory and assistance services	8	9	5
26.0 Supplies and materials		1	2
31.0 Equipment	19	20	12
32.0 Land and structures	1	2	1
99.9 Total new obligations	28	32	20

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; 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.); \$3,442,000,000, plus reimbursements, of which \$250,000,000 shall be available until September 30, 2009.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care	712	934	978
00.02 Rehabilitative care	61	66	69
00.03 Psychiatric care	162	199	212
00.04 Nursing home care	346	365	362
00.05 Subacute care	18	23	25

00.06 Residential care	53	65	68
00.07 Outpatient care	1,995	1,309	1,697
00.91 Total operating expenses	3,347	2,961	3,411
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care	7		7
01.02 Rehabilitative care	1		1
01.03 Psychiatric care	1		1
01.04 Nursing home care	3		3
01.05 Residential care	1		1
01.06 Outpatient care	17	2	18
01.91 Total capital investment	30	2	31
02.93 Total direct program	3,377	2,963	3,442
09.01 Reimbursable program	40	42	44
10.00 Total new obligations	3,417	3,005	3,486

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	98	152	
22.00 New budget authority (gross)	3,471	2,853	3,486
23.90 Total budgetary resources available for obligation	3,569	3,005	3,486
23.95 Total new obligations	-3,417	-3,005	-3,486
24.40 Unobligated balance carried forward, end of year	152		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	2,858	2,811	3,442
42.00 Transferred from other accounts	573		
43.00 Appropriation (total discretionary)	3,431	2,811	3,442
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	39	42	44
58.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
58.90 Spending authority from offsetting collections (total discretionary)	40	42	44
70.00 Total new budget authority (gross)	3,471	2,853	3,486

Change in obligated balances:

72.40 Obligated balance, start of year	840	489	648
73.10 Total new obligations	3,417	3,005	3,486
73.20 Total outlays (gross)	-3,739	-2,846	-3,359
73.40 Adjustments in expired accounts (net)	-31		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	3		
74.40 Obligated balance, end of year	489	648	775

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	2,974	2,292	2,847
86.93 Outlays from discretionary balances	765	554	512
87.00 Total outlays (gross)	3,739	2,846	3,359

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-40	-40	-42
88.40 Non-Federal sources	-3	-2	-2
88.90 Total, offsetting collections (cash)	-43	-42	-44
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	4		

Net budget authority and outlays:

89.00 Budget authority	3,431	2,811	3,442
90.00 Outlays	3,696	2,804	3,315

For 2008, the budget requests total resources for the VA Medical Administration appropriation of \$3.4 billion.

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 Network offices and facility director offices, chief of staff operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, and human resource management. 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.

	2006 actual	2007 est.	2008 est.
Average employment	36,244	36,240	32,653

Object Classification (in millions of dollars)

Identification code 36-0152-0-1-703	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	1,857	1,946	1,839
11.3 Other than full-time permanent	42	44	42
11.5 Other personnel compensation	211	221	209
11.9 Total personnel compensation	2,110	2,211	2,090
12.1 Civilian personnel benefits	597	638	588
13.0 Benefits for former personnel	4	2	9
21.0 Employee travel	44	20	45
21.0 All other	1	1	1
22.0 Transportation of things	8	3	8
23.3 Communications, utilities, and miscellaneous charges	80	12	83
24.0 Printing and reproduction	11	7	12
25.2 Other contractual services	428	47	498
25.6 Medical and nursing fees	3	2	3
26.0 Medical supplies and materials	61	18	74
31.0 Equipment	29	1	31
32.0 Medical land and structures	1		
43.0 Interest and dividends		1	
99.0 Direct obligations	3,377	2,963	3,442
99.0 Reimbursable obligations	40	42	44
99.9 Total new obligations	3,417	3,005	3,486

Employment Summary

Identification code 36-0152-0-1-703	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	35,972	35,968	32,408
Reimbursable:			
2001 Civilian full-time equivalent employment	272	272	245

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 services, \$3,592,000,000, plus reimbursements, of which \$250,000,000 shall be available until September 30, 2009.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0162-0-1-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Acute hospital care	628	867	831
00.02 Rehabilitative care	65	79	74

00.03 Psychiatric care	182	238	232
00.04 Nursing home care	410	457	405
00.05 Subacute care	19	28	27
00.06 Residential care	79	104	99
00.07 Outpatient care	1,514	1,334	1,230
00.91 Total operating expenses	2,897	3,107	2,898
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care	115	67	154
01.02 Rehabilitative care	13	8	17
01.03 Psychiatric care	32	18	42
01.04 Nursing home care	70	41	93
01.05 Subacute care	4	2	5
01.06 Residential care	15	9	20
01.07 Outpatient care	275	159	363
01.91 Total capital investment	524	304	694
Grant Program:			
02.93 Total direct program	3,421	3,411	3,592
09.01 Reimbursable program	26	27	28
10.00 Total new obligations	3,447	3,438	3,620

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	102	38	
22.00 New budget authority (gross)	3,384	3,400	3,620
23.90 Total budgetary resources available for obligation	3,486	3,438	3,620
23.95 Total new obligations	-3,447	-3,438	-3,620
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	38		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	3,298	3,373	3,592
42.00 Transferred from other accounts	60		
43.00 Appropriation (total discretionary)	3,358	3,373	3,592
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	26	27	28
70.00 Total new budget authority (gross)	3,384	3,400	3,620

Change in obligated balances:

72.40 Obligated balance, start of year	921	990	1,054
73.10 Total new obligations	3,447	3,438	3,620
73.20 Total outlays (gross)	-3,367	-3,374	-3,577
73.40 Adjustments in expired accounts (net)	-12		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	990	1,054	1,097

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	2,593	2,991	3,192
86.93 Outlays from discretionary balances	774	383	385
87.00 Total outlays (gross)	3,367	3,374	3,577

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-10	-10	-10
88.40 Non-Federal sources	-16	-17	-18
88.90 Total, offsetting collections (cash)	-26	-27	-28

Net budget authority and outlays:

89.00 Budget authority	3,358	3,373	3,592
90.00 Outlays	3,341	3,347	3,549

For 2008, the budget requests total resources for the VA Medical Facilities appropriation of \$3.6 billion. Medical Facilities provides for the operations and maintenance of the capital infrastructure required to provide health care to the Nation's veterans. These costs include utilities, engineering, capital planning, leases, laundry services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition.

In 2008, VA will realign 5,689 full-time equivalents and \$400 million for food service operations from the Medical Facilities appropriation to the Medical Services appropriation.

MEDICAL FACILITIES—Continued

The cost for food service operations will support hospital food service workers, provisions, and supplies which are related to the direct care of patients rather than the operation of the VA medical facilities.

	2006 actual	2007 est.	2008 est.
Average employment	26,470	26,348	20,650

Object Classification (in millions of dollars)

Identification code 36-0162-0-1-703	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	992	1,032	830
11.3 Other than full-time permanent	23	23	19
11.5 Other personnel compensation	111	116	93
11.9 Total personnel compensation	1,126	1,171	942
12.1 Civilian personnel benefits	338	348	298
13.0 Benefits for former personnel	3	1	1
21.0 Employee travel	7	8	8
21.0 All other	23	24	25
22.0 Transportation of things	14	15	15
23.1 Rental payments to GSA	15	15	16
23.2 Rental payments to others	115	120	125
23.3 Communications, utilities, and miscellaneous charges	488	559	620
25.2 Other contractual services	474	546	564
26.0 Medical supplies and materials	212	217	228
26.0 Provisions	81	82	
31.0 Equipment	103	133	166
32.0 Medical land and structures	421	171	583
43.0 Interest and dividends	1	1	1
99.0 Direct obligations	3,421	3,411	3,592
99.0 Reimbursable obligations	26	27	28
99.9 Total new obligations	3,447	3,438	3,620

Employment Summary

Identification code 36-0162-0-1-703	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	26,293	26,171	20,512
Reimbursable:			
2001 Civilian full-time equivalent employment	177	177	138

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, 2009, \$411,000,000, plus reimbursements.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0161-0-1-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Bio-medical laboratory science research	204	222	206
00.02 Rehabilitation research	45	48	45
00.03 Health services research	59	65	60
00.04 Clinical science research	63	68	63
00.91 Total operating expenses	371	403	374
Capital investment:			
01.01 Bio-medical laboratory science research	25	27	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	40	37
01.92 Total direct program	408	443	411
09.01 Reimbursable program	56	55	55

10.00 Total new obligations	464	498	466
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	41	44	10
22.00 New budget authority (gross)	468	464	466
23.90 Total budgetary resources available for obligation	509	508	476
23.95 Total new obligations	-464	-498	-466
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	44	10	10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	412	409	411
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	56	55	55
70.00 Total new budget authority (gross)	468	464	466
Change in obligated balances:			
72.40 Obligated balance, start of year	140	138	178
73.10 Total new obligations	464	498	466
73.20 Total outlays (gross)	-462	-458	-459
73.40 Adjustments in expired accounts (net)	-4		
74.40 Obligated balance, end of year	138	178	185
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	287	331	333
86.93 Outlays from discretionary balances	175	127	126
87.00 Total outlays (gross)	462	458	459
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-45	-55	-55
88.40 Non-Federal sources	-11		
88.90 Total, offsetting collections (cash)	-56	-55	-55
Net budget authority and outlays:			
89.00 Budget authority	412	409	411
90.00 Outlays	406	403	404

For 2008, the total budgetary resources of \$1.8 billion are comprised of \$411 million in direct appropriations, \$411 million in medical care support and \$975 million in federal and private sector grants. The Research program will support 3,000 FTE through direct appropriation and a total of 15,400 research staff through all funding sources.

This account is an intramural program whose mission is to conduct research focused on the special health care needs of veterans and to balance the discovery of new knowledge and the application of these discoveries to advance the health and care of veterans and the Nation. VA research brings scientific discovery from bedside to bench and then back to the bedside, making this program one of our most effective tools to improve the quality of care. Embedding research within an integrated health care system with a state-of-the-art electronic health record creates a national laboratory for the discovery of new medical knowledge and the translation of that knowledge into improved health. Additionally, VA Research & Development (VA R&D) has a unique program, the Quality Enhancement Research Initiative, which creates durable partnerships between VA researchers, policy-makers, and clinical researchers to accelerate the implementation of research evidence into routine practice. Although VA R&D is an intramural program, through VA's academic affiliations as well as collaborations with other federal agencies, it is fully integrated with the larger biomedical research community. Veterans' health issues are addressed comprehensively in the following four program divisions and the medical care research support required for these programs:

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

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

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

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

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

Performance Measure	2006 2007 2008 Strategic Target			
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) over a 5 year period	47%	67%	80%	100%
Progress towards development of a standard clinical practice for pressure ulcers over a 6 year period	61%	74%	78%	100%
Study subject accrual rate for multi-site clinical trials	40%	35%	38%*	50%

*The most challenging phases for recruitment for some on-going trials is anticipated to be in 2007 and 2008.

SUMMARY OF PROGRAM RESOURCES

(In millions of dollars)

	2006 actual	2007 est.	2008 est.
Medical and prosthetic research appropriation	412	409	411
Federal resources	1,041	1,133	1,180
Other non-federal resources	198	202	206
Total program resources	1,651	1,744	1,797

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	133	140	135
11.3 Other than full-time permanent	14	15	14
11.5 Other personnel compensation	28	29	28
11.9 Total personnel compensation	175	184	177
12.1 Civilian personnel benefits	50	53	51
21.0 Employee travel	4	4	4
21.0 Travel and transportation of persons			
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	126	145	126
26.0 Supplies and materials	31	33	31
31.0 Equipment	19	21	19
99.0 Direct obligations	408	443	411
99.0 Reimbursable obligations	56	55	55
99.9 Total new obligations	464	498	466

Employment Summary

Identification code 36-0161-0-1-703	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	2,813	2,841	2,664
Reimbursable:			
2001 Civilian full-time equivalent employment	380	352	336

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	2006 actual	2007 est.	2008 est.
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Obligations by program activity:

09.01 Reimbursable operating expenses	146	149	149
09.02 Reimbursable direct operations	98	99	100
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold	8	5	5
10.00 Total new obligations	252	253	254
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	7	2	2
22.00 New budget authority (gross)	247	253	253
23.90 Total budgetary resources available for obligation	254	255	255
23.95 Total new obligations	-252	-253	-254
24.40 Unobligated balance carried forward, end of year	2	2	1

New budget authority (gross), detail:

Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	247	253	253

Change in obligated balances:

72.40 Obligated balance, start of year	30	32	31
73.10 Total new obligations	252	253	254
73.20 Total outlays (gross)	-250	-254	-254
74.40 Obligated balance, end of year	32	31	31

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	247	252	252
86.98 Outlays from mandatory balances	3	2	2
87.00 Total outlays (gross)	250	254	254

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-247	-253	-253

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	3	1	1

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities: Par value	26	26	26
92.02 Total investments, end of year: Federal securities: Par value	26	26	26

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

Financing.—Operations will be financed from current revenues.

Object Classification (in millions of dollars)

Identification code 36-4014-0-3-705	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	45	45	46
11.3 Other than full-time permanent	36	37	38
11.9 Total personnel compensation	81	82	84
12.1 Civilian personnel benefits	22	22	22
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	3	4	3
26.0 Supplies and materials	136	137	137
31.0 Equipment	8	6	6
99.9 Total new obligations	252	253	254

Employment Summary

Identification code 36-4014-0-3-705	2006 actual	2007 est.	2008 est.
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Reimbursable:			
2001 Civilian full-time equivalent employment	2,965	2,970	2,975

MEDICAL CENTER RESEARCH ORGANIZATIONS

Program and Financing (in millions of dollars)

Identification code 36-4026-0-3-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Operating expenses	202	215	225
09.02 Capital investments	2	3	3
10.00 Total new obligations	204	218	228
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23	46	28
22.00 New budget authority (gross)	227	200	215
23.90 Total budgetary resources available for obligation	250	246	243
23.95 Total new obligations	-204	-218	-228
24.40 Unobligated balance carried forward, end of year	46	28	15
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	227	200	215
Change in obligated balances:			
72.40 Obligated balance, start of year			18
73.10 Total new obligations	204	218	228
73.20 Total outlays (gross)	-204	-200	-215
74.40 Obligated balance, end of year		18	31
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	204	200	215
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-204	-200	-215
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	-23		
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	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
21.0 Travel and transportation of persons	5	5	6
25.2 Other services	180	192	199
26.0 Supplies and materials	17	18	20
31.0 Equipment	2	3	3
99.9 Total new obligations	204	218	228

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	2006 actual	2007 est.	2008 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	30	33	34

02.99 Total receipts and collections	32	36	37
04.00 Total: Balances and collections	33	37	40
Appropriations:			
05.00 General post fund, national homes	-32	-34	-34
05.99 Total appropriations	-32	-34	-34
07.99 Balance, end of year	1	3	6

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities	29	29	28
00.03 Therapeutic residence maintenance	1	2	1
10.00 Total new obligations	30	31	29
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	63	65	68
22.00 New budget authority (gross)	32	34	34
23.90 Total budgetary resources available for obligation	95	99	102
23.95 Total new obligations	-30	-31	-29
24.40 Unobligated balance carried forward, end of year	65	68	73
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	32	34	34
Change in obligated balances:			
72.40 Obligated balance, start of year	5	5	6
73.10 Total new obligations	30	31	29
73.20 Total outlays (gross)	-30	-30	-30
74.40 Obligated balance, end of year	5	6	5
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		30	30
86.98 Outlays from mandatory balances	30		
87.00 Total outlays (gross)	30	30	30
Net budget authority and outlays:			
89.00 Budget authority	32	34	34
90.00 Outlays	30	30	30
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	64	66	66
92.02 Total investments, end of year: Federal securities: Par value	66	66	66

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

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	2006 actual	2007 est.	2008 est.
Direct obligations:			
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	11	11	11
26.0 Supplies and materials	14	15	14
31.0 Equipment	3	3	2
32.0 Land and structures	1	1	1
99.9 Total new obligations	30	31	29

BENEFITS PROGRAMS

Federal Funds

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by 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); 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), \$41,236,322,000, to remain available until expended: Provided, That not to exceed \$25,033,000 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.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0102-0-1-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
01.01 Veterans	26,470	30,368	32,416
01.02 Survivors	4,363	4,506	4,666
01.91 Compensation sub-total	30,833	34,874	37,082
02.00 Other compensation expenses	30,833	34,874	37,082
02.01 Chapter 18	18	18	19
02.02 Clothing allowance	53	58	61
02.03 Misc Assistance (EAJ, SAFD)	6	4	3
02.04 Medical exam pilot program	80	87	88
02.05 OBRA payment to VBA	2	2	2
02.06 Reinstated Entitlement Program for Survivors	4	4	4
02.91 Total other compensation expenses	163	173	177
02.93 Total compensation	30,996	35,047	37,259
03.02 Veterans	2,747	2,814	2,883
03.03 Survivors	778	831	890
03.91 Pensions sub total	3,525	3,645	3,773
04.01 Reimbursements to GOE and VHA	22	26	24
04.92 Total pensions	3,547	3,671	3,797
06.02 Burial allowance	29	35	37
06.03 Burial plots	15	21	21
06.04 Service-connected deaths	22	29	31
06.05 Burial flags	16	19	19
06.06 Headstones and markers	37	42	43
06.07 Graveliners/Pre-placed crypts	23	54	29
06.91 Total burial program	142	200	180
10.00 Total new obligations (object class 42.0)	34,685	38,918	41,236
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,083	296	.....
22.00 New budget authority (gross)	33,898	38,622	41,236
23.90 Total budgetary resources available for obligation	34,981	38,918	41,236
23.95 Total new obligations	-34,685	-38,918	-41,236
24.40 Unobligated balance carried forward, end of year	296	.....	.....
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	33,898	38,172	40,888

60.00	Appropriation COLA .....	.....	.....	348
62.00	Transferred from other accounts .....	.....	450	.....
62.50	Appropriation (total mandatory)	33,898	38,622	41,236
Change in obligated balances:				
72.40	Obligated balance, start of year	87	92	3,161
73.10	Total new obligations	34,685	38,918	41,236
73.20	Total outlays (gross)	-34,680	-35,849	-41,046
74.40	Obligated balance, end of year	92	3,161	3,351
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	33,512	35,452	37,586
86.98	Outlays from mandatory balances	1,168	397	3,460
87.00	Total outlays (gross)	34,680	35,849	41,046
Net budget authority and outlays:				
89.00	Budget authority	33,898	38,622	41,236
90.00	Outlays	34,680	35,849	41,046

WORKLOAD

	2006 actual	2007 est.	2008 est.
Compensation:			
Rating-Related Actions	720,988	720,000	720,000
Non Rating Actions	233,954	232,993	232,993
Pension:			
Rating-Related Actions	85,394	80,000	80,000
Non Rating Actions	308,925	321,299	321,299

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, 2008, is expected to be 1.4 percent.

COMPENSATION AND PENSIONS—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

	2006 actual	2007 est.	2008 est.
Veterans:			
Cases	2,683,380	2,782,296	2,879,329
Average payment per case, per year	\$9,864	\$10,915	\$11,258
Total obligations (in millions)	\$26,470	\$30,368	\$32,416
Survivors:			
Cases	329,710	334,432	340,702
Average payment per case, per year	\$13,234	\$13,476	\$13,695
Total obligations (in millions)	\$4,363	\$4,507	\$4,666
Chapter 18:			
Children	1,192	1,203	1,207
Average payment per case, per year	\$15,136	\$15,638	\$15,857
Total obligations (in millions)	\$18	\$18	\$19
Clothing allowance:			
Number of veterans	84,990	88,123	91,196
Average payment per case, per year	\$640	\$661	\$671
Total obligations (in millions)	\$54	\$58	\$61
Other compensation caseload:			
Special allowance dependents	75	75	75
Equal Access to Justice payments	1,079	803	803
REPS:			
Cases	186	149	120
Average benefit	\$22,425	\$27,501	\$29,947
Obligations (in millions)	\$4	\$4	\$4

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

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2008, is expected to be 1.4 percent.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	2006 actual	2007 est.	2008 est.
Veterans:			
Cases	332,034	326,154	320,378
Average payment per case, per year	\$8,274	\$8,629	\$8,999
Total obligations (in millions)	\$2,747	\$2,814	\$2,883
Survivors:			
Cases	203,346	197,670	192,656
Average payment per case, per year	\$3,825	\$4,205	\$4,619
Total obligations (in millions)	\$778	\$831	\$890

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

	2006 actual	2007 est.	2008 est.
Burial allowance	62,474	87,050	89,214
Burial plot	50,330	69,870	71,608
Service-connected deaths	13,020	14,591	15,288
Burial flags	486,117	518,213	515,579
Headstones and markers	335,172	354,973	353,169
Graveliners	46,779	60,862	62,543
Preplaced crypts	17,824	99,600	35,100

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), \$3,300,289,000, 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.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0137-0-1-702	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
01.01 Sons and daughters	361	394	419
01.02 Spouses	52	56	60
01.91 Total education and training	413	450	479
02.01 Vocational rehabilitation training	340	377	410
02.02 Subsistence allowance	226	241	253
02.03 Automobiles and adaptive equipment	51	52	53
02.04 Housing Grants	26	27	27
02.91 Total special assistance to disabled veterans	643	697	743
03.01 Work study	20	21	22
03.02 Payments to States	18	19	13
03.03 All-volunteer assistance: Basic benefits and all other	1,833	2,104	2,014
03.04 Tuition Assistance	20	20	21
03.05 Licensing and Certification	1	1	2
03.06 Reporting fees	5	4	4
03.09 Reimbursement to GOE	2	7	2
03.91 Total All-volunteer assistance and other	1,899	2,176	2,078
03.93 Total Readjustment Benefits Direct Program	2,955	3,323	3,300
09.01 Veterans' and Servicepersons basic benefits	3	3	3
09.02 Veterans' and Servicepersons supplementary benefits	100	93	90
09.03 Chapter 1606 Reservists benefits	87	154	180
09.04 Chapter 1606 Reservists supplementary benefits	35	63	73
09.05 Chapter 1607 Reservists benefits	153	197	179
09.06 National Call to Service	1	1	1
09.09 Total Reimbursable education program	378	511	526
10.00 Total new obligations	3,333	3,834	3,826
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	157	511	.....
22.00 New budget authority (gross)	3,687	3,323	3,826
23.90 Total budgetary resources available for obligation	3,844	3,834	3,826
23.95 Total new obligations	-3,333	-3,834	-3,826
24.40 Unobligated balance carried forward, end of year	511	.....	.....
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	3,309	3,262	3,300
61.00 Transferred to other accounts .....	.....	-450	.....
62.50 Appropriation (total mandatory)	3,309	2,812	3,300
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	378	511	526

70.00	Total new budget authority (gross)	3,687	3,323	3,826
Change in obligated balances:				
72.40	Obligated balance, start of year	37	43	88
73.10	Total new obligations	3,333	3,834	3,826
73.20	Total outlays (gross)	-3,327	-3,789	-3,814
74.40	Obligated balance, end of year	43	88	100
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	3,133	3,235	3,726
86.98	Outlays from mandatory balances	194	554	88
87.00	Total outlays (gross)	3,327	3,789	3,814
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-378	-511	-526
Net budget authority and outlays:				
89.00	Budget authority	3,309	2,812	3,300
90.00	Outlays	2,949	3,278	3,288

WORKLOAD

	2006 actual	2007 est.	2008 est.
Evaluation and planning	63,799	65,553	67,191
Rehabilitation services	63,539	65,286	66,918
Employment services status	18,559	19,069	19,545
Vocational/educational counseling	15,918	16,355	16,763

WORKLOAD

	2006 actual	2007 est.	2008 est.
Original claims	231,104	212,349	217,445
Adjustments/supplemental claims	1,134,822	1,186,525	1,215,001

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

	2006 actual	2007 est.	2008 est.
Veterans/Service members:			
Number of trainees	331,557	340,813	340,912
Average cost per trainee	\$5,842	\$6,386	\$6,096

Total cost (in millions)	\$1,937	\$2,177	\$2,078
Reservists (1606):			
Number of trainees	66,579	113,932	130,913
Average cost per trainee	\$1,801	\$1,885	\$1,928
Total cost (in millions)	\$121	\$217	\$254
Reservists (1607):			
Number of trainees	23,751	52,024	45,794
Average cost per trainee	\$6,457	\$3,794	\$3,904
Total cost (in millions)	\$153	\$197	\$179

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

	2006 actual	2007 est.	2008 est.
Sons and daughters:			
Number of trainees	64,517	67,620	70,227
Average cost per trainee (in dollars)	\$5,601	\$5,826	\$5,960
Total cost (in millions)	\$361	\$394	\$419
Spouses and widow(ers):			
Number of trainees	11,017	11,513	11,947
Average cost per trainee (in dollars)	\$4,699	\$4,890	\$5,005
Total cost (in millions)	\$52	\$56	\$60

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.

Automobile Grants and Adaptive Equipment.—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 par-

READJUSTMENT BENEFITS—Continued

ticipants 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

	2006 actual	2007 est.	2008 est.
Special assistance to disabled veterans:			
Rehabilitation Evaluation Planning and Service cases	22,180	22,790	23,360
Number of participants	67,611	69,406	71,141
Average cost	\$8,377	\$8,913	\$9,319
Total cost (in millions)	\$566	\$619	\$663
Automobiles or other conveyances:			
Number of conveyances	1,317	1,317	1,317
Average benefit	\$10,817	\$10,817	\$10,817
Obligations (in millions)	\$14	\$14	\$14
Adaptive equipment (including maintenance, repair, and installation for automobiles):			
Number of items	7,508	7,508	7,508
Average benefit	\$4,860	\$5,011	\$5,166
Obligations (in millions)	\$36	\$38	\$39
Housing grants:			
Number of housing grants	593	620	620
Average cost per grant	\$43,474	\$42,774	\$42,774
Total cost (in millions)	\$26	\$27	\$27
Tuition Assistance:			
Number of trainees	22,362	22,362	22,362
Average cost per trainee	\$881	\$917	\$938
Total cost (in millions)	\$20	\$20	\$21
Education Benefits for Payment for National Admissions Exams:			
Number of tests	89	445	445
Total cost (in millions)	\$0	\$0	\$0
Licensing and Certification:			
Number of payments	3,820	3,820	3,820
Average cost per trainee	\$370	\$385	\$394
Total cost (in millions)	\$1	\$1	\$2
National Call to Service:			
Number of trainees	0	200	200
Total cost (in millions)	\$0	\$1	\$1

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.

	2006 actual	2007 est.	2008 est.
Number of contracts	15,732	16,236	16,756
Total cost (in millions)	\$21	\$23	\$24

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	2006 actual	2007 est.	2008 est.
41.0 Direct obligations: Grants, subsidies, and contributions	2,955	3,323	3,300
99.0 Reimbursable obligations: reimbursable obligations	378	511	526
99.9 Total new obligations	3,333	3,834	3,826

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, chapters 19 and 21, \$41,250,000, to remain available until expended.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Payment to NSLI	1	1	1
00.10 VMLI death claims	10	10	10
00.12 Payment to service-disabled veterans insurance	37	42	32
01.00 Total direct expenses	48	53	43
10.00 Total new obligations	48	53	43
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	48	52	43
23.90 Total budgetary resources available for obligation	49	53	43
23.95 Total new obligations	-48	-53	-43
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	46	50	41
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
70.00 Total new budget authority (gross)	48	52	43
Change in obligated balances:			
72.40 Obligated balance, start of year			1
73.10 Total new obligations	48	53	43
73.20 Total outlays (gross)	-48	-52	-43
74.40 Obligated balance, end of year		1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	48	52	43
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: VMLI premiums	-2	-2	-2
Net budget authority and outlays:			
89.00 Budget authority	46	50	41
90.00 Outlays	46	50	41

WORKLOAD

	2006 actual	2007 est.	2008 est.
Policy service actions	768,000	717,986	667,547
Collections	1,781,551	1,665,500	1,548,200
Disability claims	25,828	25,537	25,527
Insurance awards	502,019	497,880	484,096

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 2008 as indicated in the following table.

POLICIES AND INSURANCE IN FORCE

	2006 actual	2007 est.	2008 est.
VMLI policies:			
Number of policies	2,438	2,370	2,310
Amount of insurance (dollars in millions)	\$166	\$165	\$165

Object Classification (in millions of dollars)

Identification code 36-0120-0-1-701	2006 actual	2007 est.	2008 est.
42.0 Direct obligations: Insurance claims and indemnities	46	51	41
99.0 Reimbursable obligations: reimbursable obligations	2	2	2
99.9 Total new obligations	48	53	43

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4012-0-3-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Capital investment	13	14	14
09.02 Death Claims	61	70	75
09.03 All Other	7	7	7
10.00 Total new obligations	81	91	96
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	11	16	17
22.00 New budget authority (gross)	86	92	84
23.90 Total budgetary resources available for obligation	97	108	101
23.95 Total new obligations	-81	-91	-96
24.40 Unobligated balance carried forward, end of year	16	17	5

New budget authority (gross), detail:
Mandatory:

69.00	Spending authority from offsetting collections: Offsetting collections (cash)	86	92	84
Change in obligated balances:				
72.40	Obligated balance, start of year	10	11	10
73.10	Total new obligations	81	91	96
73.20	Total outlays (gross)	-80	-92	-96
74.40	Obligated balance, end of year	11	10	10
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	79	91	84
86.98	Outlays from mandatory balances	1	1	12
87.00	Total outlays (gross)	80	92	96
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Insurance account	-37	-42	-32
88.40	Interest on loans	-3	-3	-3
88.40	Insurance premiums earned	-34	-35	-37
88.40	Repayments of loans	-12	-12	-12
88.90	Total, offsetting collections (cash)	-86	-92	-84
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-6		12

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

	2006 actual	2007 est.	2008 est.
Number of policies	181,093	186,380	190,230
Insurance in force (dollars in millions)	\$1,802	\$1,864	\$1,911

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 \$700 million by September 30, 2008.

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
33.0 Investments and loans	13	14	14
42.0 Insurance claims and indemnities	68	77	82
99.0 Reimbursable obligations	81	91	96
99.9 Total new obligations	81	91	96

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Death claims	36	41	40
09.02 Dividends	12	10	8
09.03 All other	7	7	6
09.04 Capital investment: policy loans	3	3	3
10.00 Total new obligations	58	61	57
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	371	351	326
22.00 New budget authority (gross)	38	36	32
23.90 Total budgetary resources available for obligation	409	387	358
23.95 Total new obligations	-58	-61	-57
24.40 Unobligated balance carried forward, end of year	351	326	301
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	38	36	32
Change in obligated balances:			
72.40 Obligated balance, start of year	52	51	50
73.10 Total new obligations	58	61	57
73.20 Total outlays (gross)	-59	-62	-59
74.40 Obligated balance, end of year	51	50	48
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	38	36	32
86.98 Outlays from mandatory balances	21	26	27
87.00 Total outlays (gross)	59	62	59
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-26	-24	-21
88.40 Interest on loans	-1	-1	-1
88.40 Insurance premiums earned	-7	-7	-6
88.40 Repayments of loans	-4	-4	-4
88.90 Total, offsetting collections (cash)	-38	-36	-32
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	21	26	27
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	422	402	375
92.02 Total investments, end of year: Federal securities: Par value	402	375	348

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

	2006 actual	2007 est.	2008 est.
Number of policies	48,206	43,360	38,660
Insurance in force (dollars in millions)	\$453	\$415	\$376

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	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
33.0 Investments and loans	3	3	3
42.0 Insurance claims and indemnities	40	45	44
43.0 Interest and dividends	15	13	10
99.9 Total new obligations	58	61	57

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Premium payments	819	862	860
09.02 Payments to carrier	608	623	
09.03 Payment to GOE	2	2	2
10.00 Total new obligations (object class 41.0)	1,429	1,487	862
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,429	1,487	862
23.95 Total new obligations	-1,429	-1,487	-862
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,429	1,487	862
Change in obligated balances:			
73.10 Total new obligations	1,429	1,487	862
73.20 Total outlays (gross)	-1,429	-1,487	-862
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,429	1,487	862
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay			
88.40	-1,429	-1,487	-862
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			
Memorandum (non-add) entries:			
92.03 Total investments, start of year: non-Federal securities: Market value	203		

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.

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 2008, within the resources available, not to exceed \$500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$154,562,000.

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 20 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.

Note—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loan subsidy	7	22	17
00.02 Transitional housing guaranteed loan subsidy			8
00.05 Upward reestimate of direct loan subsidy	36	4	
00.06 Interest on reestimate direct loan subsidy	3		
00.07 Upward reestimate of loan guarantee subsidy		30	
00.08 Interest on reestimate of loan guarantee subsidy		7	
00.09 Administrative expenses	151	153	155
10.00 Total new obligations	197	216	180
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	43	45	46
22.00 New budget authority (gross)	201	217	172
23.90 Total budgetary resources available for obligation	244	262	218
23.95 Total new obligations	-197	-216	-180
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	45	46	38
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	154	153	155
Mandatory:			
60.00 Appropriation	47	64	17
70.00 Total new budget authority (gross)	201	217	172
Change in obligated balances:			
72.40 Obligated balance, start of year	5	4	3
73.10 Total new obligations	197	216	180
73.20 Total outlays (gross)	-198	-217	-174
74.40 Obligated balance, end of year	4	3	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	152	153	155
86.97 Outlays from new mandatory authority	46	64	17
86.98 Outlays from mandatory balances			2
87.00 Total outlays (gross)	198	217	174
Net budget authority and outlays:			
89.00 Budget authority	201	217	172
90.00 Outlays	198	217	174

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

Identification code 36-1119-0-1-704	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Acquired Direct Loans	87	210	197
115003 Transitional Housing Direct Loan			12
115004 Vendee Direct Loans	76	125	330
115999 Total direct loan levels	163	335	539
Direct loan subsidy (in percent):			
132001 Acquired Direct Loans	9.18	10.43	8.84
132003 Transitional Housing Direct Loan	0.00	0.00	72.10
132004 Vendee Direct Loans	-5.64	-3.46	-1.59
132999 Weighted average subsidy rate	2.27	5.25	3.86
Direct loan subsidy budget authority:			
133001 Acquired Direct Loans	7	22	17
133003 Transitional Housing Direct Loan			8
133004 Vendee Direct Loans	-4	-4	-5
133999 Total subsidy budget authority	3	18	20
Direct loan subsidy outlays:			
134001 Acquired Direct Loans	7	22	17
134003 Transitional Housing Direct Loan	2	2	2
134004 Vendee Direct Loans	-4	-4	-5
134999 Total subsidy outlays	5	20	14
Direct loan upward reestimates:			
135001 Acquired Direct Loans	39	4	
135999 Total upward reestimate budget authority	39	4	
Direct loan downward reestimates:			
137001 Acquired Direct Loans	-113	-102	
137999 Total downward reestimate budget authority	-113	-102	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Veterans Housing Benefit Program	23,500	28,260	29,104
215999 Total loan guarantee levels	23,500	28,260	29,104
Guaranteed loan subsidy (in percent):			
232001 Veterans Housing Benefit Program	-0.32	-0.36	-0.37
232002 Guaranteed Loan Sale Securities	4.12	0.00	0.00
232999 Weighted average subsidy rate	-0.32	-0.36	-0.37
Guaranteed loan subsidy budget authority:			
233001 Veterans Housing Benefit Program	-73	-102	-108
233999 Total subsidy budget authority	-73	-102	-108
Guaranteed loan subsidy outlays:			
234001 Veterans Housing Benefit Program	-73	-102	-108
234999 Total subsidy outlays	-73	-102	-108
Guaranteed loan upward reestimates:			
235001 Veterans Housing Benefit Program		28	
235002 Guaranteed Loan Sale Securities	1	9	
235999 Total upward reestimate budget authority	1	37	
Guaranteed loan downward reestimates:			
237001 Veterans Housing Benefit Program	-1,108	-764	
237002 Guaranteed Loan Sale Securities	-68	-94	
237999 Total downward reestimate subsidy budget authority	-1,176	-858	
Administrative expense data:			
3510 Budget authority	151	153	155
3590 Outlays from new authority	151	153	155

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;

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS
VETERANS PROGRAM ACCOUNT—Continued

(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.

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

WORKLOAD

(In thousands)

	2006 actual	2007 est.	2008 est.
Construction and valuation	186	232	230
Loan processing	363	453	455
Loan service and claims	324	340	380

Object Classification (in millions of dollars)

Identification code 36–1119–0–1–704	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	151	153	155
41.0 Grants, subsidies, and contributions	47	64	17
99.9 Total new obligations	198	217	172

HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36–4127–0–3–704	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	163	335	527
00.02 Interest on Treasury borrowing	98	124	148
00.03 Property sales expense	3	4	4
00.04 Property management/other expense	6	7	7
00.91 Direct Program by Activities—Subtotal (1 level)	270	470	686
08.01 Payment of negative subsidy to receipt account	4	3	5
08.02 Payment of downward reestimate to receipt account	113	80	
08.04 Payment of excess interest earned to receipt account		22	
08.91 Direct Program by Activities—Subtotal (1 level)	117	105	5
10.00 Total new obligations	387	575	691
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,274	44	
22.00 New financing authority (gross)	–843	531	691
23.90 Total budgetary resources available for obligation	431	575	691
23.95 Total new obligations	–387	–575	–691
24.40 Unobligated balance carried forward, end of year	44		

New financing authority (gross), detail:

67.10	Mandatory:		
	Authority to borrow	484	348 514
69.00	Spending authority from offsetting collections:		
69.47	Offsetting collections (cash)	373	183 221
	Portion applied to repay debt	–1,700	–44
69.90	Spending authority from offsetting collections (total mandatory)	–1,327	183 177
70.00	Total new financing authority (gross)	–843	531 691

Change in obligated balances:

72.40	Obligated balance, start of year	69	95 95
73.10	Total new obligations	387	575 691
73.20	Total financing disbursements (gross)	–361	–575 –691
74.40	Obligated balance, end of year	95	95 95

Outlays (gross), detail:

87.00	Total financing disbursements (gross)	361	575 691
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Offsets:

	Against gross financing authority and financing disbursements:			
	Offsetting collections (cash) from:			
88.00	Federal sources: Payments from program account	–46	–25	–17
88.00	Reimbursements from DLFA	–2	–1	–10
88.25	Interest on uninvested funds	–52		
88.40	Repayments of principal	–189	–57	–62
88.40	Interest received on loans	–51	–65	–86
88.40	Fees	–2	–2	–6
88.40	Cash sale of properties	–30	–33	–40
88.40	Other	–1		
88.90	Total, offsetting collections (cash)	–373	–183	–221

Net financing authority and financing disbursements:

89.00	Financing authority	–1,216	348	470
90.00	Financing disbursements	–12	392	470

Status of Direct Loans (in millions of dollars)

Identification code 36–4127–0–3–704	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	163	335	527
1150 Total direct loan obligations	163	335	527
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	934	863	1,139
1231 Disbursements: Direct loan disbursements	163	335	527
Repayments:			
1251 Repayments and prepayments	–189	–57	–62
1253 Proceeds from loan asset sales to the public with recourse			
Write-offs for default:			
1263 Direct loans	–30	–2	–2
1264 Other adjustments, Data Reconciliation	–15		
1290 Outstanding, end of year	863	1,139	1,602

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	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1,344	139
Investments in US securities:		
1106 Receivables, net	39	4
Net value of assets related to post–1991 direct loans receivable:		
1401 Direct loans receivable, gross	934	864

1402	Interest receivable	22	16
1405	Other	1	112
1499	Net present value of assets related to direct loans	957	992
1999	Total assets	2,340	1,135
LIABILITIES:			
Federal liabilities:			
2103	Debt	2,157	941
2105	Other	183	194
2999	Total liabilities	2,340	1,135
4999	Negative subsidy BA total [36-1119]	2,340	1,135

88.40	Redemption of properties and other	-2		
88.90	Total, offsetting collections (cash)	-1,387	-2,473	-2,503
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-25		
Net financing authority and financing disbursements:				
89.00	Financing authority	-1	102	108
90.00	Financing disbursements	890	1,168	129

HOUSING GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4129-0-3-704	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
00.01	Acquisition of homes	620	1,698	1,578
00.03	Losses on defaulted loans	174	475	442
00.04	Reimburse DLFA for loan sales		17	17
00.05	Payment to trustee reserve	14	20	15
00.07	Loan Sale Closing Costs	27		
00.09	Property sales expense	53	125	116
00.10	Property management expense	43	109	101
00.11	Property improvement expense	31	50	46
00.12	Loans acquired	111	207	194
00.91	Direct Program by Activities—Subtotal (1 level)	1,073	2,701	2,509
08.01	Payment of negative subsidy to receipt account	73	102	108
08.02	Payment of downward reestimate receipt account	1,176	555	
08.04	Payment of excess interest earned to receipt account		303	
08.91	Direct Program by Activities—Subtotal (1 level)	1,249	960	108
10.00	Total new obligations	2,322	3,661	2,617
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	4,426	3,515	2,429
22.00	New financing authority (gross)	1,411	2,575	2,611
23.90	Total budgetary resources available for obligation	5,837	6,090	5,040
23.95	Total new obligations	-2,322	-3,661	-2,617
24.40	Unobligated balance carried forward, end of year	3,515	2,429	2,423
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow		102	108
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	1,387	2,473	2,503
69.10	Change in uncollected customer payments from Federal sources (unexpired)	25		
69.47	Portion applied to repay debt	-1		
69.90	Spending authority from offsetting collections (total mandatory)	1,411	2,473	2,503
70.00	Total new financing authority (gross)	1,411	2,575	2,611
Change in obligated balances:				
72.40	Obligated balance, start of year	12	33	53
73.10	Total new obligations	2,322	3,661	2,617
73.20	Total financing disbursements (gross)	-2,276	-3,641	-2,632
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-25		
74.40	Obligated balance, end of year	33	53	38
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	2,276	3,641	2,632
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-1	-38	
88.00	Recoveries from DLFA	-131	-326	-520
88.25	Interest on uninvested funds	-203	-167	-139
88.40	Funding fees	-438	-479	-485
88.40	Cash sale of properties	-585	-1,443	-1,342
88.40	Refunds from Trust	-27	-20	-17

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4129-0-3-704	2006 actual	2007 est.	2008 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	23,500	28,260	29,104
2132	Guaranteed loan commitments for loan asset sales with recourse			
2150	Total guaranteed loan commitments	23,500	28,260	29,104
2199	Guaranteed amount of guaranteed loan commitments	6,486	7,800	8,033
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	195,107	198,146	217,311
2231	Disbursements of new guaranteed loans	23,500	28,260	29,104
2232	Guarantees of loans sold to the public with recourse			
2251	Repayments and prepayments	-25,255	-3,369	-3,875
Adjustments:				
2261	Terminations for default that result in loans receivable	-1,402	-3,821	-3,550
2262	Terminations for default that result in acquisition of property	-620	-1,698	-1,578
2263	Terminations for default that result in claim payments	-111	-207	-194
2264	Other adjustments, net	6,927		
2290	Outstanding, end of year	198,146	217,311	237,218
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	58,410	71,569	77,232
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2331	Disbursements for guaranteed loan claims	188	495	457

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	2005 actual	2006 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	4,403	3,524
Investments in US securities:			
1106	Receivables, net	64	126
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Accounts Receivable from Foreclosed Property	3	2
1504	Accounts receivable from foreclosed property	553	579
1505	Other Assets	35	23
1599	Net present value of assets related to defaulted guaranteed loans	591	604
1999	Total assets	5,058	4,254
LIABILITIES:			
Federal liabilities:			
2103	Debt	3	2
2105	Other liabilities	1,577	858
Non-Federal liabilities:			
2201	Accounts payable	13	8

HOUSING GUARANTEED LOAN FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 36-4129-0-3-704	2005 actual	2006 actual
2204 Non-federal liabilities for loan guarantees	3,465	3,386
2999 Total liabilities	5,058	4,254
4999 Negative subsidy BA total [36-1119]	5,058	4,254

HOUSING LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4025-0-3-704	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Acquisition of homes	7	6	4
00.04 Acquisition of defaulted guaranteed loans	6	4	3
00.05 Repurchase of loans sold	1	2	2
00.91 Total capital investments	13	11	9
01.00 Total capital investments	13	11	9
01.02 Property management expense	3	3	2
01.03 Sales expense	1	1	1
01.04 Claims Processed and Repaid Default Claims	-8	-7	-7
01.05 Other operating expenses	2	2	2
01.91 Total operating expenses	-2	-1	-2
10.00 Total new obligations (object class 33.0)	11	10	7

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	32	22	.....
22.00 New budget authority (gross)	33	10	7
22.40 Capital transfer to general fund	-32	-22	.....
23.90 Total budgetary resources available for obligation	33	10	7
23.95 Total new obligations	-11	-10	-7
24.40 Unobligated balance carried forward, end of year	22	.....	.....

New budget authority (gross), detail:

Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	82	69	58
69.10 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
69.27 Capital transfer to general fund	-50	-59	-51
69.90 Spending authority from offsetting collections (total mandatory)	33	10	7

Change in obligated balances:

72.40 Obligated balance, start of year	2	2	.....
73.10 Total new obligations	11	10	7
73.20 Total outlays (gross)	-10	-12	-7
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	9	10	7
86.98 Outlays from mandatory balances	1	2	.....
87.00 Total outlays (gross)	10	12	7

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from direct loan financing account	-51	-46	-41
88.40 Loan and other repayments	-14	-10	-6
88.40 Sale of homes, cash	-16	-13	-10
88.40 Interest on loans	-1	-1	-1
88.40 Other revenues .....	.....	.....	.....
88.90 Total, offsetting collections (cash)	-82	-70	-58
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	-50	-60	-51
90.00 Outlays	-72	-58	-51

Memorandum (non-add) entries:

92.03 Total investments, start of year: non-Federal securities: Market value .....	.....	138	138
92.04 Total investments, end of year: non-Federal securities: Market value	138	138	138

Status of Direct Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2006 actual	2007 est.	2008 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	75	45	35
1232 Disbursements: Purchase of loans assets from the public	1	.....	.....
1251 Repayments: Repayments and prepayments	-14	-9	-6
Write-offs for default:			
1263 Direct loans	-1	-1	-1
1264 Other adjustments, net	-16	.....	.....
1290 Outstanding, end of year	45	35	28

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2006 actual	2007 est.	2008 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	10,992	12,919	10,177
2251 Repayments and prepayments	-1,112	-2,676	-1,875
Adjustments:			
2261 Terminations for default that result in loans receivable	-6	-5	-5
2262 Terminations for default that result in acquisition of property	-68	-61	-55
2264 Other adjustments, net	3,113	.....	.....
2290 Outstanding, end of year	12,919	10,177	8,242
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	5,828	4,591	3,719

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2331 Disbursements for guaranteed loan claims	8	7	5

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

Balance Sheet (in millions of dollars)

Identification code 36-4025-0-3-704	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	33	23
Investments in US securities:		
1106 Receivables, net	6	6
1201 Non-Federal assets: Investments in non-Federal securities, net	178	137
1601 Direct loans, gross	74	45
1602 Interest receivable	1	5
1604 Direct loans and interest receivable, net	75	50
1605 Accounts receivable .....	.....	1
1606 Other .....	.....	27
1699 Value of assets related to direct loans	75	78
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	309	244
LIABILITIES:		
2103 Federal liabilities: Debt	302	237

2207	Non-Federal liabilities: Other	7	7
2999	Total liabilities	309	244
4999	Total liabilities and net position	309	244

135999	Total upward reestimate budget authority	3	.....
Direct loan downward reestimates:			
137002	Native American Direct Loans	-3	-1
137999	Total downward reestimate budget authority	-3	-1

Administrative expense data:			
3510	Budget authority	1	1
3590	Outlays from new authority	1	1

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, §628,000.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-1120-0-1-704	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.05	Upward reestimate and interest onreestimate for direct loan subsidy	3	.....
00.09	Administrative expenses	1	1
10.00	Total new obligations (object class 25.2)	1	4
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	2	2
22.00	New budget authority (gross)	1	4
23.90	Total budgetary resources available for obligation	3	6
23.95	Total new obligations	-1	-4
24.40	Unobligated balance carried forward, end of year	2	2
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	1	1
Mandatory:			
60.00	Appropriation	3	.....
70.00	Total new budget authority (gross)	1	4
Change in obligated balances:			
72.40	Obligated balance, start of year .....	.....	.....
73.10	Total new obligations	1	4
73.20	Total outlays (gross)	-1	-4
74.40	Obligated balance, end of year .....	.....	.....
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	1	1
86.97	Outlays from new mandatory authority	3	.....
87.00	Total outlays (gross)	1	4
Net budget authority and outlays:			
89.00	Budget authority	1	4
90.00	Outlays	1	4

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

Identification code 36-1120-0-1-704	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115002	Native American Direct Loans	4	4
115999	Total direct loan levels	4	4
Direct loan subsidy (in percent):			
132002	Native American Direct Loans	-13.79	-13.46
132999	Weighted average subsidy rate	-13.79	-13.46
Direct loan subsidy budget authority:			
133002	Native American Direct Loans	-1	-1
133999	Total subsidy budget authority	-1	-1
Direct loan subsidy outlays:			
134002	Native American Direct Loans	-1	-1
134999	Total subsidy outlays	-1	-1
Direct loan upward reestimates:			
135002	Native American Direct Loans	3	.....

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. This program began as a pilot in 1993 and was made permanent on June 15, 2006 through Public Law 109-233.

NATIVE AMERICAN DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4130-0-3-704	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01	Direct loans	4	4
00.02	Interest on Treasury borrowing	3	2
00.91	Direct Program by Activities—Subtotal	7	6
08.01	Negative Subsidies Obligated	1	1
08.02	Payment of downward reestimate to receipt account	3	1
08.91	Direct Program by Activities—Subtotal (1 level)	3	2
10.00	Total new obligations	10	8
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	1	.....
22.00	New financing authority (gross)	38	8
22.60	Portion applied to repay debt	-29	.....
23.90	Total budgetary resources available for obligation	10	8
23.95	Total new obligations	-10	-8
24.40	Unobligated balance carried forward, end of year .....	.....	.....
New financing authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow	33	5
Spending authority from offsetting collections:			
69.00	Offsetting collections (cash)	5	6
69.47	Portion applied to repay debt	-3	-1
69.90	Spending authority from offsetting collections (total mandatory)	5	3
70.00	Total new financing authority (gross)	38	8
Change in obligated balances:			
72.40	Obligated balance, start of year	2	1
73.10	Total new obligations	10	8
73.20	Total financing disbursements (gross)	-11	-9
74.40	Obligated balance, end of year	1	.....
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)	11	9
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources	-3	.....
88.25	Interest on uninvested funds	-2	.....
88.40	Non-federal sources—Repayments and prepayments of principal	-2	-1
88.40	Non-federal sources—Interest received on loans	-1	-2
88.90	Total, offsetting collections (cash)	-5	-6
Net financing authority and financing disbursements:			
89.00	Financing authority	33	2

NATIVE AMERICAN DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4130-0-3-704	2006 actual	2007 est.	2008 est.
90.00 Financing disbursements	6	3	4

Status of Direct Loans (in millions of dollars)

Identification code 36-4130-0-3-704	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	30	30	
1121 Limitation available from carry-forward			4
1131 Direct loan obligations exempt from limitation			
1142 Unobligated direct loan limitation (—)	–26	–26	
1150 Total direct loan obligations	4	4	4
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	27	30	33
1231 Disbursements: Direct loan disbursements	5	4	4
1251 Repayments: Repayments and prepayments	–2	–1	–1
1290 Outstanding, end of year	30	33	36

The account preceding this section contains information on the Native American Veterans Housing Loan program, and the account following this section contains information on 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, these non-budgetary accounts record all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in the accounts are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 36-4130-0-3-704	2005 actual	2006 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	2	1
Investments in US securities:		
1106 Receivables, net		3
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	27	30
1499 Net present value of assets related to direct loans	27	30
1901 Other Federal assets: Other assets	3	4
1999 Total assets	32	38
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable (Liabilities)	–3	
2103 Federal liabilities debt	32	36
2105 Other liabilities	3	2
2999 Total liabilities	32	38
4999 Negative subsidy BA total [36-1120]	32	38

TRANSITIONAL HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4258-0-3-704	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Guaranteed (Direct) Loans			12
10.00 Total new obligations			12

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	5	5	5
22.00 New financing authority (gross)			21
23.90 Total budgetary resources available for obligation	5	5	26
23.95 Total new obligations			–12
24.40 Unobligated balance carried forward, end of year	5	5	14

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow			12
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	2	2	3
69.10 Change in uncollected customer payments from Federal sources (unexpired)	–2	–2	6
69.90 Spending authority from offsetting collections (total mandatory)			9
70.00 Total new financing authority (gross)			21

Change in obligated balances:

73.10 Total new obligations			12
73.20 Total financing disbursements (gross)	–2	–2	–3
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2	2	–6
74.40 Obligated balance, end of year			3

Outlays (gross), detail:

87.00 Total financing disbursements (gross)	2	2	3
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Offsets:

Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	–2	–2	–2
Against gross financing authority only:			
88.95 Change in receivables from program accounts	2	2	–6

Net financing authority and financing disbursements:

89.00 Financing authority			13
90.00 Financing disbursements	2		1

Status of Direct Loans (in millions of dollars)

Identification code 36-4258-0-3-704	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1121 Limitation available from carry-forward	95	95	95
1143 Unobligated limitation carried forward (P.L. xx) (—)	–95	–95	–83
1150 Total direct loan obligations			12
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		2	4
1231 Disbursements: Direct loan disbursements	2	2	3
1290 Outstanding, end of year	2	4	7

Balance Sheet (in millions of dollars)

Identification code 36-4258-0-3-704	2005 actual	2006 actual
ASSETS:		
Federal assets: Investments in US securities:		
1106 Receivables, net		5
1206 Non-Federal assets: Receivables, net		2
1999 Total assets		7
LIABILITIES:		
2103 Federal liabilities: Debt		2
2207 Non-Federal liabilities: Loan guarantee		5
2999 Total liabilities		7
4999 Negative subsidy BA total [36-1119]		7

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)			
Identification code 36-4112-0-3-702	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct loans	3	3	3
00.02 Interest on Treasury borrowing			
00.91 Direct Program by Activities—Subtotal (1 level)	3	3	3
08.01 Negative subsidies obligated			
08.02 Downward Reestimate to Receipt Acct	1		
08.04 Downward Interest Reestimate to Receipt Acct			
08.91 Direct Program by Activities—Subtotal (1 level)	1		
10.00 Total new obligations	4	3	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New financing authority (gross)	3	3	3
22.60 Portion applied to repay debt			
23.90 Total budgetary resources available for obligation	4	3	3
23.95 Total new obligations	-4	-3	-3
24.40 Unobligated balance carried forward, end of year			
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow (indefinite)	3	3	3
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	3	3	3
69.47 Portion applied to repay debt	-3	-3	-3
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new financing authority (gross)	3	3	3
Change in obligated balances:			
73.10 Total new obligations	4	3	3
73.20 Total financing disbursements (gross)	-4	-3	-3
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	4	3	3
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from Program Account, Upward Reestimate		-1	
88.40 Repayments and prepayments of principal	-3	-3	-3
88.90 Total, offsetting collections (cash)	-3	-4	-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 36-4112-0-3-702	2006 actual	2007 est.	2008 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	3	3	3
1150 Total direct loan obligations	3	3	3
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	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 36-4112-0-3-702	2005 actual	2006 actual
ASSETS:		
Federal assets: Investments in US securities:		
1107 Other (Assets)		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 direct loan levels [36-0151]		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	2006 actual	2007 est.	2008 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
04.00 Total: Balances and collections	1	1	2
Appropriations:			
05.00 Post-Vietnam era veterans education account			-1
07.99 Balance, end of year	1	1	1

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Payment to post-Vietnam era trainees	1	1	1
00.03 Participant disenrollments	1	1	1
10.00 Total new obligations	2	2	2
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	71	69	67
22.00 New budget authority (gross)			1
23.90 Total budgetary resources available for obligation	71	69	68
23.95 Total new obligations	-2	-2	-2
24.40 Unobligated balance carried forward, end of year	69	67	66
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)			1
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations	2	2	2
73.20 Total outlays (gross)	-2	-2	-2
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			1
86.98 Outlays from mandatory balances	2	2	1
87.00 Total outlays (gross)	2	2	2
Net budget authority and outlays:			
89.00 Budget authority			1
90.00 Outlays	2	2	2

This account consists of voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense. The fund provides educational assist-

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT—Continued

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

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

[In millions of dollars]

	2006 actual	2007 est.	2008 est.
Total budget authority	\$0	\$0	\$1
Servicepersons contributions	\$0	\$0	\$0
Transferred from Department of Defense (bonus)	\$0	\$0	\$0
Transferred from Department of Defense (matching)	\$0	\$0	\$0
Transferred from Department of Defense (section 901)	\$0	\$0	\$0
Total participants (end of year)	195,862	194,918	194,196
Total contributors (end of year)	72	156	128
Average contribution per contributor (actual dollars)	\$4,625	\$2,632	\$2,632
Number of disenrollments	816	500	300
Total refunds	\$1	\$1	\$0
Total trainees	627	600	550
Total trainee cost	\$1	\$1	\$1
Average cost per trainee (actual dollars)	\$1,552	\$1,618	\$1,728
Section 901 trainees	39	31	31

Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702	2006 actual	2007 est.	2008 est.
Direct obligations:			
41.0 Grants, subsidies, and contributions	1	1	1
44.0 Refunds	1	1	1
99.9 Total new obligations	2	2	2

NATIONAL SERVICE LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8132-0-7-701	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	9,134	8,735	8,285
01.99 Balance, start of year	9,134	8,735	8,285
Receipts:			
02.00 NSLI fund, Interest	632	587	552
02.01 NSLI fund, Payments from general and special funds	1	1	1
02.20 NSLI fund, Premium and other receipts	154	141	128
02.99 Total receipts and collections	787	729	681
04.00 Total: Balances and collections	9,921	9,464	8,966
Appropriations:			
05.00 National service life insurance fund	-788	-729	-681
05.01 National service life insurance fund	-398	-450	-497
05.99 Total appropriations	-1,186	-1,179	-1,178
07.99 Balance, end of year	8,735	8,285	7,788

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Death claims	664	673	680
00.02 Disability claims	9	8	7
00.03 Matured endowments	11	12	15
00.04 Cash surrenders	32	30	29
00.05 Dividends	240	214	196
00.06 Interest paid on dividend credits and deposits	55	50	49
00.07 Payment to Insurance account	22	25	24

00.91 Total operating expenses	1,033	1,012	1,000
02.01 Capital investment: Policy loans	62	61	59
02.93 Total direct obligations	1,095	1,073	1,059
09.01 Death claims	246	256	254
09.02 Disability Claims	3	3	3
09.03 Matured Endowments	4	4	6
09.04 Cash Surrenders	12	11	11
09.05 Dividends	89	81	73
09.06 Interest paid on dividend credits and deposits	20	19	18
09.07 Payment to Insurance account	8	9	9
09.09 Reimbursable program	382	383	374
10.00 Total new obligations	1,477	1,456	1,433

Budgetary resources available for obligation:

22.00 New budget authority (gross)	1,478	1,456	1,432
23.95 Total new obligations	-1,477	-1,456	-1,433

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	788	729	681
60.28 Appropriation (previously unavailable)	398	450	497
62.50 Appropriation (total mandatory)	1,186	1,179	1,178
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	292	277	254
70.00 Total new budget authority (gross)	1,478	1,456	1,432

Change in obligated balances:

72.40 Obligated balance, start of year	1,472	1,457	1,430
73.10 Total new obligations	1,477	1,456	1,433
73.20 Total outlays (gross)	-1,492	-1,483	-1,465
74.40 Obligated balance, end of year	1,457	1,430	1,398

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	1,080	1,006	935
86.98 Outlays from mandatory balances	412	477	530
87.00 Total outlays (gross)	1,492	1,483	1,465

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1		
88.40 Repayments of loans	-94	-88	-83
88.40 Optional settlements	-1	-1	-1
88.40 Net income offsets adjustments	-196	-188	-170
88.90 Total, offsetting collections (cash)	-292	-277	-254

Net budget authority and outlays:

89.00 Budget authority	1,186	1,179	1,178
90.00 Outlays	1,200	1,206	1,211

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	10,597	10,189	9,711
92.02 Total investments, end of year: Federal securities:			
Par value	10,189	9,711	9,180

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

	2006 actual	2007 est.	2008 est.
Number of policies	1,106,597	1,010,380	915,630
Insurance in force (dollars in millions)	\$12,360	\$11,443	\$10,553

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 \$10,306 million as of September 30, 2007 to \$9,732 million as of September 30, 2008. The actuarial estimate of policy obligations as of September 30, 2008, totals \$9,484 million, leaving a balance of \$248 million for contingency reserves.

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

Status of Funds (in millions of dollars)

Identification code 36-8132-0-7-701	2006 actual	2007 est.	2008 est.
Unexpended balance, start of year:			
0100 Balance, start of year	10,606	10,193	9,716
0199 Total balance, start of year	10,606	10,193	9,716
Cash income during the year:			
Current law:			
Receipts:			
1200 NSLI fund, Interest	632	587	552
1201 NSLI fund, Payments from general and special funds	1	1	1
Offsetting receipts (proprietary):			
1220 NSLI fund, Premium and other receipts	154	141	128
Offsetting collections:			
1280 National service life insurance fund	1	1	1
1281 National service life insurance fund	196	188	170
1282 National service life insurance fund	94	88	83
1283 National service life insurance fund	1		
1299 Income under present law	1,079	1,006	935
3299 Total cash income	1,079	1,006	935
Cash outgo during year:			
Current law:			
4500 National service life insurance fund	-1,492	-1,483	-1,465
4599 Outgo under current law (-)	-1,492	-1,483	-1,465
6599 Total cash outgo (-)	-1,492	-1,483	-1,465
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	4	5	6
8701 Invested balance, end of year	10,189	9,711	9,180
8799 Total balance, end of year	10,193	9,716	9,186

Object Classification (in millions of dollars)

Identification code 36-8132-0-7-701	2006 actual	2007 est.	2008 est.
Direct obligations:			
33.0 Investments and loans	62	61	59
42.0 Insurance claims and indemnities	716	723	731
43.0 Interest and dividends	317	289	269
99.0 Direct obligations	1,095	1,073	1,059
99.0 Reimbursable obligations	382	383	374
99.9 Total new obligations	1,477	1,456	1,433

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8150-0-7-701	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	29	25	21
01.99 Balance, start of year	29	25	21
Receipts:			
02.00 Interest and profits on investments in public debt securities, USGLI	3	2	2
04.00 Total: Balances and collections	32	27	23
Appropriations:			
05.00 United States Government life insurance fund	-3	-2	-2
05.01 United States Government life insurance fund	-4	-4	-4
05.99 Total appropriations	-7	-6	-6
07.99 Balance, end of year	25	21	17

Program and Financing (in millions of dollars)

Identification code 36-8150-0-7-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Death claims	4	4	4
00.06 Interest paid on dividend credits and deposits	1	1	1
00.07 Other Costs	1	1	1
09.02 Dividends	1	1	1
09.09 Reimbursable program	1	1	1
10.00 Total new obligations	7	7	7
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	7	6	6
23.95 Total new obligations	-7	-7	-7
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	3	2	2
60.28 Appropriation (previously unavailable)	4	4	4
62.50 Appropriation (total mandatory)	7	6	6
Change in obligated balances:			
72.40 Obligated balance, start of year	15	14	13
73.10 Total new obligations	7	7	7
73.20 Total outlays (gross)	-8	-8	-8
74.40 Obligated balance, end of year	14	13	12
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3	2	2
86.98 Outlays from mandatory balances	5	6	6
87.00 Total outlays (gross)	8	8	8
Net budget authority and outlays:			
89.00 Budget authority	7	6	6
90.00 Outlays	8	8	8
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	45	39	34
92.02 Total investments, end of year: Federal securities: Par value	39	34	29

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

	2006 actual	2007 est.	2008 est.
Number of policies	7,841	6,660	5,560
Insurance in force (dollars in millions)	\$24	\$20	\$16

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 \$35 million as of September 30, 2007, to \$30 million as of September 30, 2008, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2008, totals \$29 million, leaving a balance of \$1 million for contingency reserves.

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

UNITED STATES GOVERNMENT LIFE INSURANCE FUND—Continued

Status of Funds (in millions of dollars)

Identification code 36-8150-0-7-701	2006 actual	2007 est.	2008 est.
Unexpended balance, start of year:			
0100 Balance, start of year	44	39	33
0199 Total balance, start of year	44	39	33
Cash income during the year:			
Current law:			
Receipts:			
1200 Interest and profits on investments in public debt securities, USGLI	3	2	2
1299 Income under present law	3	2	2
3299 Total cash income	3	2	2
Cash outgo during year:			
Current law:			
4500 United States Government life insurance fund	-8	-8	-8
4599 Outgo under current law (-)	-8	-8	-8
6599 Total cash outgo (-)	-8	-8	-8
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year		-1	-2
8701 Invested balance, end of year	39	34	29
8799 Total balance, end of year	39	33	27

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	2006 actual	2007 est.	2008 est.
Direct obligations:			
42.0 Insurance claims and indemnities	4	4	4
43.0 Interest and dividends	2	2	2
99.0 Direct obligations	6	6	6
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	7	7	7

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Death claims	71	82	88
09.02 Cash surrenders	4	4	4
09.03 Dividends	79	79	72
09.04 All other	30	32	34
09.05 Payments to Insurance account	6	6	7
09.06 Capital investment	15	15	15
10.00 Total new obligations	205	218	220
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,577	1,590	1,583
22.00 New budget authority (gross)	218	211	205
23.90 Total budgetary resources available for obligation	1,795	1,801	1,788
23.95 Total new obligations	-205	-218	-220
24.40 Unobligated balance carried forward, end of year	1,590	1,583	1,568
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	218	211	205
Change in obligated balances:			
72.40 Obligated balance, start of year	352	371	390
73.10 Total new obligations	205	218	220
73.20 Total outlays (gross)	-186	-199	-203
74.40 Obligated balance, end of year	371	390	407
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	186	199	203

Offsets:

Against gross budget authority and outlays:

88.20	Offsetting collections (cash) from:			
88.40	Interest on Federal securities	-138	-134	-130
88.40	Interest on loans	-5	-5	-5
88.40	Insurance premiums earned	-59	-57	-55
88.40	Repayments of loans	-16	-15	-15
88.90	Total, offsetting collections (cash)	-218	-211	-205

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-32	-12	-2

Memorandum (non-add) entries:

92.01	Total investments, start of year: Federal securities:			
	Par value	1,928	1,960	1,972
92.02	Total investments, end of year: Federal securities:			
	Par value	1,960	1,972	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

	2006 actual	2007 est.	2008 est.
Number of policies	199,262	191,250	182,800
Insurance in force (dollars in millions)	\$2,453	\$2,406	\$2,350

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	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
33.0 Investments and loans	15	15	15
42.0 Insurance claims and indemnities	86	99	107
43.0 Interest and dividends	104	104	98
99.9 Total new obligations	205	218	220

DEPARTMENTAL ADMINISTRATION

Federal Funds

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities including parking projects under the jurisdiction or for the

use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 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, \$727,400,000, to remain available until expended, of which \$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 reviewed by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year 2008, 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, 2008; and (2) by the awarding of a construction contract by September 30, 2009: 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.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Medical Programs	333	578	1,327
00.02 National Cemeteries	54	149	167
00.05 Staff Offices	4	6	29
09.01 Reimbursable program	29		
10.00 Total new obligations	420	733	1,523
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	996	2,166	1,717
22.00 New budget authority (gross)	1,590	284	728
23.90 Total budgetary resources available for obligation	2,586	2,450	2,445
23.95 Total new obligations	-420	-733	-1,523
24.40 Unobligated balance carried forward, end of year	2,166	1,717	922
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	607	284	728
40.30 Appropriations adjusted pursuant to PL109-148;234	954		
43.00 Appropriation (total discretionary)	1,561	284	728
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	29		
70.00 Total new budget authority (gross)	1,590	284	728
Change in obligated balances:			
72.40 Obligated balance, start of year	478	660	790
73.10 Total new obligations	420	733	1,523
73.20 Total outlays (gross)	-238	-603	-741
74.40 Obligated balance, end of year	660	790	1,572
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	29	2	5
86.93 Outlays from discretionary balances	209	601	736
87.00 Total outlays (gross)	238	603	741

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources	-6	
88.40	Non-Federal sources	-23	
88.90	Total, offsetting collections (cash)	-29	
Net budget authority and outlays:			
89.00	Budget authority	1,561	284
90.00	Outlays	209	603
			728
			741

Major

The "Construction, major projects" appropriations, fund construction projects costing more than \$10 million, and support new cemeteries in the vicinity of Bakersfield, CA; Birmingham, AL; Columbia/Greenville, SC; Jacksonville, FL; Philadelphia, PA; Sarasota County, FL; and South-eastern, PA; cemetery expansion in Fort Sam Houston, TX; fund facility improvements, realignments, and support seismic corrections as related to CARES in Pittsburgh, PA; Denver, CO; Orlando, FL; Las Vegas, NV; Lee County, FL; Syracuse, NY.

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, Base Realignment and Closure (BRAC) activities, and support advance planning and design activities.

Object Classification (in millions of dollars)

Identification code 36-0110-0-1-703	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2	Other services	4	5
26.0	Supplies and materials	1	2
31.0	Equipment	1	2
32.0	Land and structures	385	724
			1,511
99.0	Direct obligations	391	733
99.0	Reimbursable obligations	29	
99.9	Total new obligations	420	733
			1,523

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, \$233,396,000, 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, for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0111-0-1-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			

CONSTRUCTION, MINOR PROJECTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0111-0-1-703	2006 actual	2007 est.	2008 est.
00.01 Medical Programs	142	145	180
00.02 National Cemeteries	27	31	24
00.03 Regional Offices	13	10	13
00.04 Staff Offices	6	9	16
10.00 Total new obligations	188	195	233
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	62	107	80
22.00 New budget authority (gross)	233	168	233
23.90 Total budgetary resources available for obligation	295	275	313
23.95 Total new obligations	-188	-195	-233
24.40 Unobligated balance carried forward, end of year	107	80	80
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	201	168	233
42.00 Transferred from other accounts	32		
43.00 Appropriation (total discretionary)	233	168	233
Change in obligated balances:			
72.40 Obligated balance, start of year	403	332	306
73.10 Total new obligations	188	195	233
73.20 Total outlays (gross)	-259	-221	-198
74.40 Obligated balance, end of year	332	306	341
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	27	30	42
86.93 Outlays from discretionary balances	232	191	156
87.00 Total outlays (gross)	259	221	198
Net budget authority and outlays:			
89.00 Budget authority	233	168	233
90.00 Outlays	259	221	198

Minor

The "Construction minor projects" appropriation, which funds construction projects costing less than \$10 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	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	29	28	27
26.0 Supplies and materials	2	3	3
31.0 Equipment	1	1	1
32.0 Land and structures	156	163	202
99.9 Total new obligations	188	195	233

Employment Summary

Identification code 36-0111-0-1-703	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	19	19	19

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.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity	88	84	85
10.00 Total new obligations (object class 41.0)	88	84	85
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3		1
22.00 New budget authority (gross)	85	85	85
23.90 Total budgetary resources available for obligation	88	85	86
23.95 Total new obligations	-88	-84	-85
24.40 Unobligated balance carried forward, end of year		1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	85	85	85
Change in obligated balances:			
72.40 Obligated balance, start of year	287	253	245
73.10 Total new obligations	88	84	85
73.20 Total outlays (gross)	-122	-92	-86
74.40 Obligated balance, end of year	253	245	244
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		2	2
86.93 Outlays from discretionary balances	122	90	84
87.00 Total outlays (gross)	122	92	86
Net budget authority and outlays:			
89.00 Budget authority	85	85	85
90.00 Outlays	122	92	86

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.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity	18	32	32
10.00 Total new obligations (object class 41.0)	18	32	32
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		14	
22.00 New budget authority (gross)	32	18	32
23.90 Total budgetary resources available for obligation	32	32	32
23.95 Total new obligations	-18	-32	-32
24.40 Unobligated balance carried forward, end of year	14		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	32	18	32
Change in obligated balances:			
72.40 Obligated balance, start of year	46	27	44
73.10 Total new obligations	18	32	32
73.20 Total outlays (gross)	-37	-15	-20

74.40	Obligated balance, end of year	27	44	56
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		10	17
86.93	Outlays from discretionary balances	37	5	3
87.00	Total outlays (gross)	37	15	20
Net budget authority and outlays:				
89.00	Budget authority	32	18	32
90.00	Outlays	37	15	20

22.30	Expired unobligated balance transfer to unexpired account	9		
23.90	Total budgetary resources available for obligation	1,792	1,831	1,795
23.95	Total new obligations	-1,722	-1,831	-1,795
23.98	Unobligated balance expiring or withdrawn	-11		
24.40	Unobligated balance carried forward, end of year	59		

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	1,411	1,439	1,472
40.30	Appropriations adjusted pursuant to PL 109-148 (Hurricane Supplemental)	25		
41.00	Transferred to other accounts	-63	-1	
43.00	Appropriation (total discretionary)	1,373	1,438	1,472
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	321	334	323
58.10	Change in uncollected customer payments from Federal sources (unexpired)	3		
58.90	Spending authority from offsetting collections (total discretionary)	324	334	323
70.00	Total new budget authority (gross)	1,697	1,772	1,795

Change in obligated balances:				
72.40	Obligated balance, start of year	432	270	365
73.10	Total new obligations	1,722	1,831	1,795
73.20	Total outlays (gross)	-1,866	-1,736	-1,793
73.40	Adjustments in expired accounts (net)	-15		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-3		
74.40	Obligated balance, end of year	270	365	367

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,500	1,490	1,507
86.93	Outlays from discretionary balances	366	246	286
87.00	Total outlays (gross)	1,866	1,736	1,793

Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-321	-334	-323
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-3		

Net budget authority and outlays:				
89.00	Budget authority	1,373	1,438	1,472
90.00	Outlays	1,545	1,402	1,470

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

Identification code 36-0151-0-1-705	2006 actual	2007 est.	2008 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Vocational Rehabilitation	3	3	3
115999 Total direct loan levels	3	3	3
Direct loan subsidy (in percent):			
132001 Vocational Rehabilitation	1.59	2.00	2.16
132999 Weighted average subsidy rate	1.59	2.00	2.16
Direct loan downward reestimates:			
137001 Vocational Rehabilitation	-1		
137999 Total downward reestimate budget authority	-1		

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

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

General Administration.—Includes departmental executive direction, departmental support offices, the General Counsel, and the Board of Veterans' Appeals.

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, \$1,471,837,000: 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 \$1,198,294,000: 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, 2009: 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, \$71,000, 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 \$3,287,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$311,000, which may be transferred to and merged with the appropriation for "General operating expenses".

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Compensation and pensions	887	919	941
00.02 Education	82	90	93
00.03 Vocational rehabilitation and counseling	127	149	159
00.04 Insurance	4	4	5
00.06 General administration	301	335	274
01.00 Direct Program by Activities—Subtotal (running)	1,401	1,497	1,472
09.01 Compensation and pensions	94	103	102
09.02 Education	1	2	3
09.04 Insurance	35	40	36
09.05 Housing	129	127	118
09.06 General administration	62	62	64
09.99 Total reimbursable program	321	334	323
10.00 Total new obligations	1,722	1,831	1,795
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	86	59	
22.00 New budget authority (gross)	1,697	1,772	1,795

GENERAL OPERATING EXPENSES—Continued

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

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

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-705	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	792	803	813
11.5 Other personnel compensation	36	40	41
11.9 Total personnel compensation	828	843	854
12.1 Civilian personnel benefits	222	225	226
21.0 Travel and transportation of persons	15	17	17
22.0 Transportation of things	5	6	6
23.1 Rent	109	115	117
23.3 Communications, utilities, and miscellaneous charges	22	25	26
24.0 Printing and reproduction	4	5	6
25.2 Other services	172	234	193
26.0 Supplies and materials	11	12	12
31.0 Equipment	13	15	15
99.0 Direct obligations	1,401	1,497	1,472
99.0 Reimbursable obligations	321	334	323
99.9 Total new obligations	1,722	1,831	1,795

Employment Summary

Identification code 36-0151-0-1-705	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	13,288	13,623	13,432
Reimbursable:			
2001 Civilian full-time equivalent employment	2,111	2,070	1,900

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, \$72,599,000, of which \$3,630,000 shall remain available until September 30, 2009.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
01.01 Direct program	72	69	73
01.92 Total direct program	72	69	73
09.01 Reimbursable program	3	3	3
10.00 Total new obligations	75	72	76
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3		
22.00 New budget authority (gross)	72	72	76
23.90 Total budgetary resources available for obligation	75	72	76
23.95 Total new obligations	-75	-72	-76
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	70	69	73
41.00 Transferred to other accounts	-1		

43.00 Appropriation (total discretionary)	69	69	73
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	3	3
70.00 Total new budget authority (gross)	72	72	76
Change in obligated balances:			
72.40 Obligated balance, start of year	16	15	17
73.10 Total new obligations	75	72	76
73.20 Total outlays (gross)	-76	-70	-74
74.40 Obligated balance, end of year	15	17	19
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	63	60	64
86.93 Outlays from discretionary balances	13	10	10
87.00 Total outlays (gross)	76	70	74

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	73
90.00 Outlays	73	67	71

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

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	41	44	40
11.5 Other personnel compensation	4		4
11.9 Total personnel compensation	45	44	44
12.1 Civilian personnel benefits	12	13	13
21.0 Employee Travel	4	3	4
23.1 Rental payments to GSA	3	4	3
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	4	3	7
26.0 Supplies and materials	1	1	1
31.0 Equipment	2		
99.0 Direct obligations	72	69	73
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	75	72	76

Employment Summary

Identification code 36-0170-0-1-705	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	455	458	445
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; including pay and associated cost for operations and maintenance associated staff; 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, \$1,859,217,000, to remain available until September 30, 2009: 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 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 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.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0167-0-1-705	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Veterans Health Administration	781	440	463
00.02 Veterans Benefits Administration	68	48	66
00.03 National Cemetery Administration	5	1	1
00.04 General administration and other	237	728	1,329
01.00 Direct Program by Activities—Subtotal	1,091	1,217	1,859
09.01 Credit administration	19	22	32
09.02 Insurance administration	3	4	6
09.03 Education administration	1	5	.....
09.04 Veterans Health Administration	2	3	4
09.05 General administration and other	4	4	9
09.09 Reimbursable program—Subtotal	29	38	51
10.00 Total new obligations	1,120	1,255	1,910
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year .....	.....	140	.....
22.00 New budget authority (gross)	1,260	1,115	1,910
23.90 Total budgetary resources available for obligation	1,260	1,255	1,910
23.95 Total new obligations	-1,120	-1,255	-1,910
24.40 Unobligated balance carried forward, end of year	140	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,213	1,077	1,859
42.00 Transferred from other accounts	18	.....	.....
43.00 Appropriation (total discretionary)	1,231	1,077	1,859
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	29	38	51
70.00 Total new budget authority (gross)	1,260	1,115	1,910
Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	469	609
73.10 Total new obligations	1,120	1,255	1,910
73.20 Total outlays (gross)	-651	-1,115	-1,743
74.40 Obligated balance, end of year	469	609	776
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	651	685	1,304
86.93 Outlays from discretionary balances .....	.....	430	439
87.00 Total outlays (gross)	651	1,115	1,743
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-29	-38	-51
Net budget authority and outlays:			
89.00 Budget authority	1,231	1,077	1,859
90.00 Outlays	622	1,077	1,692

This account was established by Congress in 2005 under P.L. 109-114 in order to support the Department's reorganization and centralization of information technology activities. For FY 2008, this account includes the operations and maintenance personnel and related support required to execute the majority of information technology projects, especially those associated with the provision of veterans' health care and the processing of veterans' benefits.

Object Classification (in millions of dollars)

Identification code 36-0167-0-1-705	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	.....	.....	502
21.0 Travel and transportation of persons .....	.....	.....	12
23.2 Rental payments to others	20	22	23
23.3 Communications, utilities, and miscellaneous charges	145	160	166
25.2 Other services	385	430	520
25.3 Other purchases of goods and services from Government accounts	182	210	253
26.0 Supplies and materials	11	12	25
31.0 Equipment	339	373	348
32.0 Land and structures	9	10	10
99.0 Direct obligations	1,091	1,217	1,859
99.0 Reimbursable obligations	29	38	51
99.9 Total new obligations	1,120	1,255	1,910

Employment Summary

Identification code 36-0167-0-1-705	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	5,391
Reimbursable:			
2001 Civilian full-time equivalent employment	138

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, \$166,809,000, of which not to exceed \$8,340,000 shall be available until September 30, 2009.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
02.01 Administrative expenses	151	159	167
10.00 Total new obligations	151	159	167
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	3	.....
22.00 New budget authority (gross)	151	156	167
22.30 Expired unobligated balance transfer to unexpired account	2	.....	.....
23.90 Total budgetary resources available for obligation	155	159	167
23.95 Total new obligations	-151	-159	-167
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance carried forward, end of year	3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	157	156	167
41.00 Transferred to other accounts	-7	.....	.....
43.00 Appropriation (total discretionary)	150	156	167

NATIONAL CEMETERY ADMINISTRATION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0129-0-1-705	2006 actual	2007 est.	2008 est.
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00 Total new budget authority (gross)	151	156	167
Change in obligated balances:			
72.40 Obligated balance, start of year	29	28	35
73.10 Total new obligations	151	159	167
73.20 Total outlays (gross)	-150	-152	-161
73.40 Adjustments in expired accounts (net)	-2		
74.40 Obligated balance, end of year	28	35	41
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	127	126	134
86.93 Outlays from discretionary balances	23	26	27
87.00 Total outlays (gross)	150	152	161
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1		
Net budget authority and outlays:			
89.00 Budget authority	150	156	167
90.00 Outlays	149	152	161

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	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	74	77	78

11.3 Other than full-time permanent	2	2	3
11.9 Total personnel compensation	76	79	81
12.1 Civilian personnel benefits	23	26	27
21.0 Travel and transportation of persons	2	2	3
22.0 Transportation of things	1	1	1
23.1 Rent	2	1	2
23.3 Communications, utilities, and miscellaneous charges	4	4	4
24.0 Printing and reproduction	1	1	1
25.2 Other services	29	33	34
26.0 Supplies and materials	7	7	8
31.0 Equipment	5	5	6
99.0 Direct obligations	150	159	167
99.0 Reimbursable obligations	1		
99.9 Total new obligations	151	159	167

Employment Summary

Identification code 36-0129-0-1-705	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	1,527	1,573	1,582

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Reimbursable program-COGS-Merchandizing	1,880	2,588	2,692
09.02 Reimbursable program-Other-Operations	83	91	91
09.03 Reimbursable program-COGS-Printing and Publications	15	12	15
09.04 Reimbursable program-Other		1	1
09.05 Reimbursable program-Equipment-Procurement Services and Distribution		1	1
10.00 Total new obligations	1,978	2,693	2,800
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	658	1,392	1,392
22.00 New budget authority (gross)	2,712	2,693	2,800
23.90 Total budgetary resources available for obligation	3,370	4,085	4,192
23.95 Total new obligations	-1,978	-2,693	-2,800
24.40 Unobligated balance carried forward, end of year	1,392	1,392	1,392
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,586	2,693	2,800
69.10 Change in uncollected customer payments from Federal sources (unexpired)	1,126		
69.90 Spending authority from offsetting collections (total mandatory)	2,712	2,693	2,800
Change in obligated balances:			
72.40 Obligated balance, start of year	-95	-1,090	-1,090
73.10 Total new obligations	1,978	2,693	2,800
73.20 Total outlays (gross)	-1,847	-2,693	-2,800
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1,126		
74.40 Obligated balance, end of year	-1,090	-1,090	-1,090
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,847	2,693	2,800
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1,432	-2,693	-2,800
88.40 Non-Federal sources	-154		
88.90 Total, offsetting collections (cash)	-1,586	-2,693	-2,800
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1,126		

Net budget authority and outlays:

89.00	Budget authority	.....	.....
90.00	Outlays	.....	261

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 2008, Supply Fund sales are estimated to reach \$1.4 billion.

Operating results.—The Fund operated at a profit of \$25 million in 2006. The new total of retained earnings is \$118 million. Operating expense as related to sales was 5 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	2006 actual	2007 est.	2008 est.	
Reimbursable obligations:				
Personnel compensation:				
11.1	Full-time permanent	32	37	38
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	33	38	39
12.1	Civilian personnel benefits	8	7	8
21.0	Travel and transportation of persons	4	6	7
22.0	Transportation of things	5	10	10
23.1	Rental payments to GSA	3	2	2
23.3	Communications, utilities, and miscellaneous charges	1	2	2
24.0	Printing and reproduction	15	9	10
25.1	Advisory and assistance services	300	1,421	1,477
26.0	Supplies and materials	1,136	744	773
31.0	Equipment	473	454	472
99.9	Total new obligations	1,978	2,693	2,800

Employment Summary

Identification code 36-4537-0-4-705	2006 actual	2007 est.	2008 est.	
Reimbursable:				
2001	Civilian full-time equivalent employment	433	480	480

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	2006 actual	2007 est.	2008 est.	
Obligations by program activity:				
09.01	Reimbursable program	291	271	.....
10.00	Total new obligations	291	271	.....
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	89	150	200
22.00	New budget authority (gross)	352	321	.....
23.90	Total budgetary resources available for obligation	441	471	200
23.95	Total new obligations	-291	-271	.....
24.40	Unobligated balance carried forward, end of year	150	200	200

New budget authority (gross), detail:
Mandatory:

Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	311	321	.....
69.10	Change in uncollected customer payments from Federal sources (unexpired)	41	.....	.....
69.90	Spending authority from offsetting collections (total mandatory)	352	321	.....
Change in obligated balances:				
72.40	Obligated balance, start of year	22	-2	-2
73.10	Total new obligations	291	271	.....
73.20	Total outlays (gross)	-274	-271	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-41	.....	.....
74.40	Obligated balance, end of year	-2	-2	-2
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	274	321	.....
86.98	Outlays from mandatory balances	.....	-50	.....
87.00	Total outlays (gross)	274	271	.....
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-311	-321	.....
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-41	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	.....	.....	.....
90.00	Outlays	-37	-50	.....

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. VA Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$298 million and employ 709 in 2008.

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	2006 actual	2007 est.	2008 est.	
Reimbursable obligations:				
11.1	Personnel compensation: Full-time permanent	45	49	.....
12.1	Civilian personnel benefits	11	12	.....
21.0	Travel and transportation of persons	1	2	.....
23.1	Rental payments to GSA	5	5	.....
23.3	Communications, utilities, and miscellaneous charges	29	27	.....
24.0	Printing and reproduction	3	4	.....
25.2	Other services	178	166	.....
26.0	Supplies and materials	2	2	.....
31.0	Equipment	17	4	.....
99.9	Total new obligations	291	271	.....

Employment Summary

Identification code 36-4539-0-4-705	2006 actual	2007 est.	2008 est.	
Reimbursable:				
2001	Civilian full-time equivalent employment	670	744

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2006 actual	2007 est.	2008 est.	
Offsetting receipts from the public:				
36-143500	General fund proprietary interest receipts, not otherwise classified	2	2	2
36-246800	Pharmaceutical copayments, increase from PL 7/8	.....	.....	311
36-247300	Contributions from military personnel, Veteran's Educational Assistance Act of 1984	187	198	198

(in millions of dollars)—Continued

	2006 actual	2007 est.	2008 est.
36-247600 Enrollment fee for PL 7/8			
36-247700 Eliminate third party offset			44
36-273330 Housing downward reestimates	1,292	961	
36-275510 Housing negative subsidies	77	106	113
36-322000 All other general fund proprietary receipts including budget clearing accounts	40	16	16
General Fund Offsetting receipts from the public	1,598	1,283	684
Intragovernmental payments:			
36-388500 All other general fund proprietary receipts including budget clearing accounts	6	6	6
General Fund Intragovernmental payments	6	6	6

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 201. Any appropriation for fiscal year 2008 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred as necessary to any other of the mentioned appropriations: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress 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 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. 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 2007.

SEC. 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. 206. Notwithstanding any other provision of law, during fiscal year 2008, 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 2008 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 2008 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. 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. 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 \$32,067,000 for the Office of Resolution Management and \$3,148,000 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. 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. 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. 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. 212. 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. 213. Amounts made available for fiscal year 2008 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 transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress.

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

(INCLUDING TRANSFER OF FUNDS)

SEC. 216. Amounts made available for the "Information technology systems" account may be reprogrammed between projects: Provided,

That no project may be increased or decreased by more than \$5,000,000 of cost prior to submitting notice thereof to the Committees on Appropriations of both Houses of Congress and a period of 30 days has elapsed.

SEC. 217. 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 2008, in this Act or any other Act, may be transferred to or from the “Information technology systems” account: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress and a period of 30 days has elapsed.

SEC. 218. Any balances in prior year accounts established for the payment of benefits under the Reinstated Entitlement Program for Survivors shall be transferred to and merged with amounts available under the “Compensation and pensions” account, and receipts that would otherwise be credited to the accounts established for the payment of benefits under the Reinstated Entitlement Program for Survivors program shall be credited to amounts available under the “Compensation and pensions” account.

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 2008 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 403. 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. 404. 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. 405. 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.