

DEPARTMENT OF VETERANS AFFAIRS

The 2002 budget provides \$23,378 million in discretionary funding for veterans health, benefits, and other services, including \$23,998 million in gross discretionary budget authority and \$620 million in anticipated discretionary medical collections.

This funding level recognizes that an estimated \$235 million of current medical care liabilities will shift to the Department of Defense due to new benefits available to military retirees over age 64.

The account by account information provided in the following budget schedules is supplemented by a department-wide strategic plan, published in September 2000, a performance plan submitted annually with the Budget, and an annual performance report. The performance plan contains annual goals for each of the Department of Veterans Affairs' (VA) programs along with historic performance data, where available. The plan highlights approximately 35 key measures that VA's top executives consider critical to the success of the Department. The performance report includes actual program performance as measured against goals.

may be used for CARES activities without fiscal year limitation: *Provided further*, That the Secretary of Veterans Affairs shall conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payments for hospital care; and, notwithstanding 31 U.S.C. 3302(b), amounts collected, by setoff or otherwise, as the result of such audits shall be available, without fiscal year limitation, for the purposes for which funds are appropriated under this heading and the purposes of paying a contractor a percent of the amount collected as a result of an audit carried out by the contractor: *Provided further*, That all amounts so collected under the preceding proviso with respect to a designated health care region (as that term is defined in 38 U.S.C. 1729A(d)(2)) shall be allocated, net of payments to the contractor, to that region.

In addition, in conformance with Public Law 105-33 establishing the Department of Veterans Affairs Medical Care Collections Fund, such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account.

[None of the foregoing funds may be transferred to the Department of Justice for the purposes of supporting tobacco litigation.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

VETERANS HEALTH ADMINISTRATION

Federal Funds

General and special funds:

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the department for collecting and recovering amounts owed the department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq., **[\$20,281,587,000]** \$20,979,742,000, plus reimbursements: *Provided*, That of the funds made available under this heading, \$900,000,000, of which \$675,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, **[2001]** 2002, and shall remain available until September 30, **[2002: *Provided further*, That of the funds made available under this heading,] 2003; of which not to exceed [\$500,000,000] \$900,000,000 shall be available until September 30, [2002: *Provided further*, That of the funds made available under this heading, not to exceed \$28,134,000 may be transferred to and merged with the appropriation for "General operating expenses"] 2003; and of which, in addition to other funds made available under this heading for non-recurring maintenance and repair (NRM) activities, \$30,000,000 shall be available without fiscal year limitation to support the NRM activities necessary to implement Capital Asset Re-alignment for Enhanced Services (CARES) activities: *Provided*, That from amounts appropriated under this heading, additional amounts, as designated by the Secretary no later than September 30, 2002,**

Unavailable Collections (in millions of dollars)

Identification code 36-0160-0-1-703	2000 actual	2001 est.	2002 est.
01.99 Balance, start of year	51	60	60
Receipts:			
02.20 Medical care collections	573		
02.21 MCCF first party collections		203	207
02.22 MCCF third party collections		405	413
02.23 Pharmaceutical copayments			120
02.24 Enhanced-use lease proceeds			1
02.99 Total receipts and collections	573	608	741
04.00 Total: Balances and collections	624	668	801
Appropriations:			
05.00 Medical care	-564	-608	-741
05.99 Total appropriations	-564	-608	-741
07.99 Balance, end of year	60	60	60

Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute hospital care	4,806	5,277	5,661
00.02 Rehabilitative care	363	381	394
00.03 Psychiatric care	1,132	1,186	1,223
00.04 Nursing home care	1,807	1,940	2,106
00.05 Subacute care	347	325	303
00.06 Residential care	357	391	424
00.07 Outpatient care	8,328	9,440	9,838
00.08 Miscellaneous benefits and services	988	1,039	1,109
00.09 CHAMPVA	125	142	172
00.91 Total operating expenses	18,253	20,121	21,230
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care	298	283	252
01.02 Rehabilitative care	21	21	18
01.03 Psychiatric care	61	64	54
01.04 Nursing home care	61	104	94
01.05 Subacute care	18	18	13
01.06 Residential care	15	21	19
01.07 Outpatient care	460	508	437
01.08 Miscellaneous benefits and services	28	56	49
01.09 CHAMPVA (GPRA)	2		

General and special funds—Continued

MEDICAL CARE—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	2000 actual	2001 est.	2002 est.
01.91 Total capital investment	964	1,075	936
01.92 Total direct program	19,217	21,196	22,166
09.01 Reimbursable program	110	119	127
10.00 Total new obligations	19,327	21,315	22,293
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,082	1,324	941
22.00 New budget authority (gross)	19,572	20,929	21,848
22.10 Resources available from recoveries of prior year obligations		3	3
23.90 Total budgetary resources available for obligation	20,654	22,256	22,792
23.95 Total new obligations	-19,327	-21,315	-22,293
23.98 Unobligated balance expiring or withdrawn	-3		
24.40 Unobligated balance carried forward, end of year	1,324	941	499
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	19,006	20,282	20,980
40.25 Appropriation (MCCF, indefinite)	564	608	620
40.75 Reduction pursuant to P.L. 106-113	-80		
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)		-46	
41.00 Transferred to other accounts	-28	-34	
43.00 Appropriation (total discretionary)	19,462	20,810	21,600
Mandatory:			
60.25 Appropriation (special fund, indefinite) Health Services Improvement Fund			121
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	110	119	127
70.00 Total new budget authority (gross)	19,572	20,929	21,848
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	2,572	2,448	3,034
72.99 Obligated balance, start of year	2,572	2,448	3,034
73.10 Total new obligations	19,327	21,315	22,293
73.20 Total outlays (gross)	-19,359	-20,726	-21,859
73.40 Adjustments in expired accounts (net)	-91		
73.45 Recoveries of prior year obligations		-3	-3
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	2,448	3,034	3,465
74.99 Obligated balance, end of year	2,448	3,034	3,465
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	16,476	17,722	18,592
86.93 Outlays from discretionary balances	2,883	3,004	3,158
86.97 Outlays from new mandatory authority			109
87.00 Total outlays (gross)	19,359	20,726	21,859
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-47	-51	-54
88.40 Non-Federal sources	-63	-68	-73
88.90 Total, offsetting collections (cash)	-110	-119	-127
Net budget authority and outlays:			
89.00 Budget authority	19,462	20,810	21,721
90.00 Outlays	19,250	20,607	21,732

For 2002, the budget process provides total resources for the VA Medical Care program of \$21.7 billion, an increase of \$1 billion (\$0.8 billion in medical care and \$0.2 billion in collections) over the 2001 level. This includes \$21.0 billion in appropriated budget authority, \$620 million to be collected in the Medical Care Collections Fund, \$121 million in antici-

pated collections from the Health Services Improvement Fund, and other available resources.

The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, established the Health Services Improvement Fund. This fund serves as a depository for amounts received or collected under the following areas as authorized by 38 U.S.C. 1729B: (1) reimbursement from DoD for TRICARE—eligible military retirees; (2) enhanced-use lease proceeds; and (3) receipts attributable to increase in medication copayments. Amounts in the fund are intended to be used: (1) to furnish medical care services; and (2) for VA expenses for identification, billing, auditing, and collections of amounts owed the Government. These funds are available without fiscal year limitation.

WORKLOAD*Provision of Veterans Health Care—*

Acute hospital care.—Costs for 2002 are estimated to increase by \$356 million for operating medical, neurological, surgical, contract and State home hospital beds, reflecting the shift to increased use of ambulatory care.

Estimated operating levels are:

	2000 actual	2001 est.	2002 est.
Patients treated	423,570	415,357	408,387
Average daily census	7,948	7,713	7,591
Average employment	51,082	49,323	47,897

Rehabilitative care.—An increase of \$10 million in 2002 is estimated for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	2000 actual	2001 est.	2002 est.
Patients treated	14,837	14,095	13,531
Average daily census	1,174	1,104	1,038
Average employment	4,482	4,220	3,960

Psychiatric care.—An increase of \$28 million is estimated in 2002 for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

	2000 actual	2001 est.	2002 est.
Patients treated	102,354	96,213	92,364
Average daily census	4,517	4,200	3,900
Average employment	14,846	13,835	12,846

Nursing home care.—In 2002, an increase of \$156 million is estimated for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	2000 actual	2001 est.	2002 est.
Patients treated	84,136	83,276	84,733
Average daily census	30,740	31,632	33,391
Average employment	20,081	20,440	20,766

Noninstitutional extended care.—Included in outpatient estimates in 2002 is an increase of \$43 million estimated for noninstitutional extended care programs such as adult day care; home based primary care, skilled nursing and rehabilitation care; and home health aids.

Estimated operating levels are:

	2000 actual	2001 est.	2002 est.
Average daily census	21,582	23,546	28,812

Subacute care.—A decrease of \$28 million is estimated in 2002 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:

	2000 actual	2001 est.	2002 est.
Patients treated	44,097	37,482	33,500
Average daily census	1,977	1,582	1,345
Average employment	4,881	3,907	3,322

Residential care.—An increase of \$31 million is estimated in 2002 for the care of veterans in locations other than their own homes, such as residential rehabilitation and domiciliary care programs.

Estimated operating levels are:

	2000 actual	2001 est.	2002 est.
Patients treated	48,876	48,007	48,044
Average daily census	10,407	10,763	11,120
Average employment	4,628	4,643	4,718

Outpatient care.—An increase of \$330 million is estimated in 2002 for the cost of outpatient medical and dental care provided by staff, physicians, and dentists participating under a fee basis arrangement for certain eligible veterans. Estimated operating levels are:

NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS

	2000 actual	2001 est.	2002 est.
Medical visits (in thousands):			
Staff visits	36,448	37,699	37,600
Fee visits	1,922	2,120	2,184
Readjustment counseling	896	850	850
Total	39,266	40,669	40,634
Dental:			
Staff:			
Examinations	292,396	293,000	293,000
Treatments	143,880	144,000	144,000
Total	436,276	437,000	437,000
Fee: Cases completed	12,049	12,650	12,650
Average employment	72,028	77,932	78,796

Miscellaneous benefits and services.—An increase of \$64 million is estimated in 2002 for the cost of this activity which includes items of nondirect medical care and treatment such as beneficiary travel, care of the dead, operation of personnel quarters at medical facilities, and the cost of furnishing supply, engineering, housekeeping, and other administrative support services to other departments on a nonreimbursable basis.

	2000 actual	2001 est.	2002 est.
Average employment	7,312	7,020	6,809

Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).—An increase of \$30 million is estimated in 2002 for private hospital and outpatient care for dependents and survivors of certain veterans. Estimated operating levels are:

	2000 actual	2001 est.	2002 est.
Average daily hospital census	137	122	117
Outpatient (in thousands)	1,155,059	1,197,792	1,372,161
Average employment	180	180	186

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	2000 actual	2001 est.	2002 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	6,950	7,352	7,598
11.3 Other than full-time permanent	907	959	991
11.5 Other personnel compensation	857	906	936
Total personnel compensation	8,714	9,217	9,525
12.1 Civilian personnel benefits	2,157	2,343	2,416
13.0 Benefits for former personnel	61	66	68
Travel and transportation of persons:			
21.0 Employee travel	52	55	65
21.0 Beneficiary travel	114	123	123
21.0 Interagency motor pool payments	16	16	17
21.0 All other	34	37	38
22.0 Transportation of things	22	26	27
23.1 Rental payments to GSA	11	12	12
23.2 Rental payments to others	62	65	69
23.3 Communications, utilities, and miscellaneous charges	522	598	616
24.0 Printing and reproduction	12	14	14
25.2 Other contractual services	1,730	2,068	2,165
Medical care:			
25.6 Outpatient dental fees	13	14	14
25.6 Medical and nursing fees	355	416	433

25.6 Community nursing homes	202	223	261
25.6 Contract hospitalization	215	242	263
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs	116	130	160
Supplies and materials:			
26.0 Supplies and materials	3,436	4,005	4,467
26.0 Provisions	75	75	73
31.0 Equipment	687	775	606
32.0 Land and structures	276	300	330
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions	318	343	369
41.0 Grants to private organizations	15	31	33
43.0 Interest and dividends	2	2	2
99.0 Subtotal, direct obligations	19,217	21,196	22,166
99.0 Reimbursable obligations	110	119	127
99.9 Total new obligations	19,327	21,315	22,293

Personnel Summary

Identification code 36-0160-0-1-703	2000 actual	2001 est.	2002 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	178,462	180,372	178,154
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	1,058	1,128	1,146

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, [2002, \$351,000,000] 2003, \$360,237,000, plus reimbursements. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

Identification code 36-0161-0-1-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
00.01 Medical research	209	219	218
00.02 Rehabilitation research	25	30	31
00.03 Health services research	41	43	45
00.04 Cooperative studies research	37	45	45
00.91 Total operating expenses	312	337	339
Capital investment:			
01.01 Medical research	7	12	12
01.02 Rehabilitation research	2	3	3
01.03 Health services research	2	3	2
01.04 Cooperative studies research	2	4	4
01.91 Total capital investment	13	22	21
01.92 Total direct program	325	359	360
09.01 Reimbursable program	27	33	33
10.00 Total new obligations	352	392	393
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	28	23	15
22.00 New budget authority (gross)	348	383	393
23.90 Total budgetary resources available for obligation	376	406	408
23.95 Total new obligations	-352	-392	-393
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	23	15	15
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	321	351	360
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)		-1	
43.00 Appropriation (total discretionary)	321	350	360
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	27	33	33
70.00 Total new budget authority (gross)	348	383	393

General and special funds—Continued

MEDICAL AND PROSTHETIC RESEARCH—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0161-0-1-703	2000 actual	2001 est.	2002 est.
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	110	102	119
72.99 Obligated balance, start of year	110	102	119
73.10 Total new obligations	352	392	393
73.20 Total outlays (gross)	-357	-375	-390
73.40 Adjustments in expired accounts (net)	-3		
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	102	119	122
74.99 Obligated balance, end of year	102	119	122
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	258	290	297
86.93 Outlays from discretionary balances	99	85	93
87.00 Total outlays (gross)	357	375	390
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-27	-33	-33
Net budget authority and outlays:			
89.00 Budget authority	321	350	360
90.00 Outlays	329	342	357

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

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

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

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

Cooperative Studies.—Cooperative Studies Research has recently been separated from the Medical Research and Health Services Research programs and is directed toward large multi-site clinical trials. Cooperative Studies supports the clinical trials with its own statistical support centers and its own FDA-approved pharmacy. The research determines

the efficacy and cost effectiveness of new medications and new treatment strategies of direct benefit to the veteran population in the areas of aging, chronic disease, mental illness, special populations, and military occupations and environmental exposures.

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

SUMMARY OF BUDGETARY RESOURCES

	[In millions of dollars]		
	2000 actual	2001 est.	2002 est.
Medical and prosthetic research appropriation	321	350	360
Medical care appropriation	345	376	387
Federal grants (NIH)	356	349	351
Other grants (voluntary agencies, private proprietary)	148	150	151
Total budgetary resources	1,170	1,225	1,249

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	2000 actual	2001 est.	2002 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	51	52	53
11.3 Other than full-time permanent	89	90	91
11.5 Other personnel compensation	5	5	5
11.9 Total personnel compensation	145	147	149
12.1 Civilian personnel benefits	32	43	43
21.0 Employee travel	2	4	4
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.5 Research and development contracts	101	107	107
26.0 Supplies and materials	31	36	35
31.0 Equipment	13	21	21
99.0 Subtotal, direct obligations	325	359	360
99.0 Reimbursable obligations	27	33	33
99.9 Total new obligations	352	392	393

Personnel Summary

Identification code 36-0161-0-1-703	2000 actual	2001 est.	2002 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	2,779	2,976	2,907
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	235	270	260

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities, **[\$62,000,000]** \$67,628,000, plus reimbursements: *Provided*, That technical and consulting services offered by the Facilities Management Field Service, including project management and real property administration (including leases, site acquisition and disposal activities directly supporting projects), shall be provided to Department of Veterans Affairs components only on a reimbursable basis, and such amounts will remain available until September 30, **[2001]** 2002. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Operating expenses: Integrated health care system administration	57	60	66
00.02 Capital investment	3	2	2
01.00 Total direct program	60	62	68
09.01 Reimbursable program	7	7	7

10.00	Total new obligations	67	69	75
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	67	69	75
23.95	Total new obligations	-67	-69	-75
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	60	62	68
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	7	7	7
70.00	Total new budget authority (gross)	67	69	75

Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.40	Unpaid obligations, start of year	13	14	14
72.99	Obligated balance, start of year	13	14	14
73.10	Total new obligations	67	69	75
73.20	Total outlays (gross)	-66	-69	-74
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year	14	14	14
74.99	Obligated balance, end of year	14	14	14

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	64	62	67
86.93	Outlays from discretionary balances	1	7	7
87.00	Total outlays (gross)	66	69	74

Offsets:				
Against gross budget authority and outlays:				
88.45	Offsetting collections (cash) from: Offsetting governmental collections from the public	-7	-7	-7

Net budget authority and outlays:				
89.00	Budget authority	60	62	68
90.00	Outlays	59	62	67

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

Object Classification (in millions of dollars)

Identification code 36-0152-0-1-703	2000 actual	2001 est.	2002 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	35	37	41
11.3	Other than full-time permanent	2	3	3
11.5	Other personnel compensation	3	3	3
11.9	Total personnel compensation	40	43	47
12.1	Civilian personnel benefits	7	7	8
13.0	Benefits for former personnel	1	1	1
21.0	Travel and transportation of persons: employee travel	1	1	2
23.1	Rental payments to GSA	6	5	6
23.3	Communications, utilities, and miscellaneous charges	1	1	1
25.2	Other services	2	1	1
31.0	Equipment	2	2	2
99.0	Subtotal, direct obligations	60	61	68
99.0	Reimbursable obligations	7	7	7
99.5	Below reporting threshold	1		
99.9	Total new obligations	67	69	75

Personnel Summary

Identification code 36-0152-0-1-703	2000 actual	2001 est.	2002 est.	
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	457	493	508
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	57	57	57

MEDICAL CARE COST RECOVERY FUND

Program and Financing (in millions of dollars)

Identification code 36-5014-0-2-703	2000 actual	2001 est.	2002 est.
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	1	

Public enterprise funds:

VETERANS EXTENDED CARE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4032-0-3-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01	Reimbursable program		22
10.00	Total new obligations (object class 25.6)		22

Budgetary resources available for obligation:				
22.00	New budget authority (gross)			24
23.95	Total new obligations			-22
24.40	Unobligated balance carried forward, end of year			2

New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)			24

Change in unpaid obligations:				
73.10	Total new obligations			22
73.20	Total outlays (gross)			-22
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year			2
74.99	Obligated balance, end of year			2

Outlays (gross), detail:				
86.97	Outlays from new mandatory authority			22

Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources			-24

Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays			-2

This fund was authorized by the Millennium Health Care and Benefits Act P.L. 106-117 section 101(a) to credit collections for long-term care for utilization by VA of extended care services. VA anticipates \$24 million from this effort in 2002.

MEDICAL FACILITIES REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4138-0-3-703	2000 actual	2001 est.	2002 est.	
Obligations by program activity:				
09.02	Reimbursable capital expenses	1	1	1

Public enterprise funds—Continued

MEDICAL FACILITIES REVOLVING FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4138-0-3-703	2000 actual	2001 est.	2002 est.
10.00 Total new obligations (object class 31.0)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	4	4
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	6	5	5
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	1	1	1
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	1		
72.99 Obligated balance, start of year	1		
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1	1	1
86.98 Outlays from mandatory balances	1		
87.00 Total outlays (gross)	1	1	1
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Federal sources			
88.40 Non-Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

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

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01 Reimbursable operating expenses	130	134	136
09.02 Reimbursable direct operations	87	88	90
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold	3	6	4
10.00 Total new obligations	220	228	230
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	14	16
22.00 New budget authority (gross)	220	229	232
23.90 Total budgetary resources available for obligation	234	243	248
23.95 Total new obligations	-220	-228	-230
24.40 Unobligated balance carried forward, end of year	14	16	18
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	220	229	232

Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	25	26	23
72.99 Obligated balance, start of year	25	26	23
73.10 Total new obligations	220	228	230
73.20 Total outlays (gross)	-218	-231	-234
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	26	23	20
74.99 Obligated balance, end of year	26	23	20
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	215	228	231
86.98 Outlays from mandatory balances	3	3	3
87.00 Total outlays (gross)	218	231	234
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-2	-2
88.40 Non-Federal sources	-218	-227	-230
88.90 Total, offsetting collections (cash)	-220	-229	-232
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-2	2	2
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	37	38	38
92.02 Total investments, end of year: Federal securities:			
Par value	38	38	38

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

Financing.—Operations will be financed from current revenues.

Object Classification (in millions of dollars)

Identification code 36-4014-0-3-705	2000 actual	2001 est.	2002 est.
Personnel compensation:			
11.1 Full-time permanent	40	39	40
11.3 Other than full-time permanent	22	26	27
11.9 Total personnel compensation	62	65	67
12.1 Civilian personnel benefits	15	15	16
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	2	2
26.0 Supplies and materials	137	139	139
31.0 Equipment	3	5	4
99.9 Total new obligations	220	228	230

Personnel Summary

Identification code 36-4014-0-3-705	2000 actual	2001 est.	2002 est.
2001 Total compensable workyears: Full-time equivalent employment	2,933	3,010	3,025

SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND

Program and Financing (in millions of dollars)

Identification code 36-4048-0-3-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01 Contracts	24	26	26
09.02 Education and training	1	2	2
09.03 Operating expenses	13	12	12
10.00 Total new obligations	38	40	40

Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	13	14	16
22.00	New budget authority (gross)	39	42	41
23.90	Total budgetary resources available for obligation	52	56	57
23.95	Total new obligations	-38	-40	-40
24.40	Unobligated balance carried forward, end of year	14	16	17
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	39	42	41
Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.40	Unpaid obligations, start of year	2	2	3
72.99	Obligated balance, start of year	2	2	3
73.10	Total new obligations	38	40	40
73.20	Total outlays (gross)	-37	-40	-39
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year	2	3	4
74.99	Obligated balance, end of year	2	3	4
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	37	40	39
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-39	-42	-41
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-2	-2	-2

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

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

Statement of Operations (in millions of dollars)

Identification code 36-4048-0-3-703	1999 actual	2000 actual	2001 est.	2002 est.
0101 Revenue	40	39	41	41
0102 Expense	-38	-38	-40	-40
0105 Net income or loss (-)	2	1	1	1

Balance Sheet (in millions of dollars)

Identification code 36-4048-0-3-703	1999 actual	2000 actual	2001 est.	2002 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	15	17	19	22
Investments in US securities:				
1106 Receivables, net	2	1	1	1
1206 Non-Federal assets: Receivables, net	2	2	2	2
1999 Total assets	20	20	22	25
LIABILITIES:				
2105 Federal liabilities: Other	1	2	2	2
2999 Total liabilities	1	2	2	2
NET POSITION:				
3300 Cumulative results of operations	17	17	19	22
3999 Total net position	17	17	19	22
4999 Total liabilities and net position	18	19	21	24

Object Classification (in millions of dollars)

Identification code 36-4048-0-3-703	2000 actual	2001 est.	2002 est.
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	35	36	37
26.0 Supplies and materials	2	2	1
31.0 Equipment		1	1
99.9 Total new obligations	38	40	40

MEDICAL CENTER RESEARCH ORGANIZATIONS

Program and Financing (in millions of dollars)

Identification code 36-4026-0-3-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01 Operating expenses	119	122	125
09.02 Capital investments	14	14	15
10.00 Total new obligations	133	136	140
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	18	18	18
22.00 New budget authority (gross)	133	136	140
23.90 Total budgetary resources available for obligation	151	154	158
23.95 Total new obligations	-133	-136	-140
24.40 Unobligated balance carried forward, end of year	18	18	18
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	133	136	140
Change in unpaid obligations:			
73.10 Total new obligations	133	136	140
73.20 Total outlays (gross)	-133	-136	-140
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	133	136	140
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-26	-26	-27
88.40 Non-Federal sources	-107	-110	-113
88.90 Total, offsetting collections (cash)	-133	-136	-140
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	2000 actual	2001 est.	2002 est.
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	83	85	87
26.0 Supplies and materials	34	35	36
31.0 Equipment	14	14	15
99.9 Total new obligations	133	136	140

Trust Funds**GENERAL POST FUND, NATIONAL HOMES
(INCLUDING TRANSFER OF FUNDS)****Unavailable Collections** (in millions of dollars)

Identification code 36-8180-0-7-705	2000 actual	2001 est.	2002 est.
01.99 Balance, start of year			
Receipts:			
02.00 General post fund, national homes, deposits	31	29	31
02.40 General post fund, national homes, interest on investments	2	3	3
02.99 Total receipts and collections	33	32	34
Appropriations:			
05.00 General post fund, national homes	-32	-32	-34
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities	23	24	25
00.02 Research activities	3	3	3
00.03 Therapeutic residence maintenance	1	1	1
10.00 Total new obligations	27	28	29
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	45	50	54
22.00 New budget authority (gross)	32	32	34
23.90 Total budgetary resources available for obligation	77	82	88
23.95 Total new obligations	-27	-28	-29
24.40 Unobligated balance carried forward, end of year	50	54	59
New budget authority (gross), detail:			
Mandatory:			
60.27 Appropriation (trust fund, indefinite)	32	32	34
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	7	6	6
72.99 Obligated balance, start of year	7	6	6
73.10 Total new obligations	27	28	29
73.20 Total outlays (gross)	-28	-28	-29
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	6	6	6
74.99 Obligated balance, end of year	6	6	6
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	26	25	24
86.98 Outlays from mandatory balances	3	3	5
87.00 Total outlays (gross)	28	28	29
Net budget authority and outlays:			
89.00 Budget authority	32	32	34
90.00 Outlays	28	28	29
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	51	57	53
92.02 Total investments, end of year: Federal securities:			
Par value	57	53	55

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

In addition, donations from pharmaceutical companies, non-profit corporations, and individuals to support VA medical research are deposited into this fund. (38 U.S.C. chs. 83 and 85.)

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	2000 actual	2001 est.	2002 est.
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	10	11	12
26.0 Supplies and materials	11	11	11
31.0 Equipment	3	3	3
32.0 Land and structures	1	1	1
99.9 Total new obligations	27	28	29

VETERANS BENEFITS ADMINISTRATION**Federal Funds****General and special funds:****COMPENSATION AND PENSIONS**

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), **[\$22,766,276,000, to remain available until expended] such sums as may be necessary: Provided,** That not to exceed **[\$17,419,000] \$17,940,000** of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further,* That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized. *In addition, such sums as may be necessary to provide for any cost-of-living adjustment authorized by 38 U.S.C. 1104. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)*

Summary of Budget Authority and Outlays by Program

	[In thousands of dollars]		
Distribution of budget authority by program:	2000 actual	2001 est.	2002 est.
Compensation	18,488,274	20,209,593	21,830,522
Pensions	2,967,771	3,014,634	2,979,714
Burial benefits	112,318	131,049	133,521
Distribution of outlays by program:	2000 actual	2001 est.	2002 est.
Compensation	19,004,846	18,095,962	21,753,663
Pensions	4,702,725	3,010,994	2,968,214
Burial benefits	112,318	131,049	133,521

Program and Financing (in millions of dollars)

Identification code 36-0102-0-1-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Compensation:			
Veterans:			
00.01 World War II	3,212	3,099	3,131
00.02 Korean conflict	1,268	1,266	1,321
00.03 Vietnam era	6,367	6,695	7,609
00.04 Peacetime service	3,275	3,429	3,792
00.05 Persian Gulf conflict	1,366	1,649	2,086
00.91 Total veterans	15,488	16,138	17,939
Survivors:			
01.01 World War I	34	29	26

01.02	World War II	1,343	1,341	1,400
01.03	Korean conflict	428	433	460
01.04	Vietnam era	1,178	1,229	1,341
01.05	Peacetime service	451	441	454
01.06	Persian Gulf conflict	87	102	123
01.91	Total survivors	3,521	3,575	3,804
02.93	Total compensation	19,009	19,713	21,743
Other compensation expenses:				
03.01	Payment to general operating expense	1	1	1
03.02	Medical exam pilot program	20	27	29
03.03	Clothing allowance	42	42	42
03.04	Children of Vietnam Era	12	12	15
03.91	Total other compensation expenses	75	82	87
Pensions:				
Veterans:				
04.03	Improved Law	2,228	2,277	2,278
04.04	Prior Law	41	34	28
04.91	Total veterans	2,269	2,311	2,306
Survivors:				
05.01	Improved Law	602	608	590
05.02	Prior Law	81	73	66
05.03	Old Law	1	1	1
05.91	Total survivors	684	682	657
05.92	Total pensions	2,953	2,993	2,963
Other pension expenses:				
06.02	Reimbursement to GOE and VHA	16	18	18
Burial benefits:				
07.01	Burial allowance	34	34	35
07.02	Burial plots	10	10	10
07.03	Service-connected deaths	12	12	13
07.04	Burial flags	14	24	22
07.05	Headstones and markers	30	34	36
07.06	Graveliners	7	9	8
07.07	Pre-placed crypts	1	5	6
07.91	Total burial benefits	108	128	130
08.01	Equal access to justice	3	3	3
Reimbursable pension program:				
09.01	Minimum income for widows program		4	3
10.00	Total new obligations	22,164	22,941	24,947

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	768	171	
22.00	New budget authority (gross)	21,568	22,770	24,947
23.90	Total budgetary resources available for obligation	22,336	22,941	24,947
23.95	Total new obligations	-22,164	-22,941	-24,947
24.40	Unobligated balance carried forward, end of year	171		

New budget authority (gross), detail:

Mandatory:				
60.00	Appropriation	21,568	22,766	
Appropriation (indefinite):				
60.05	Appropriation (indefinite)			376
60.05	Appropriation (indefinite)			24,568
62.50	Appropriation (total mandatory)	21,568	22,766	24,944
69.00	Offsetting collections (cash)		4	3
70.00	Total new budget authority (gross)	21,568	22,770	24,947

Change in unpaid obligations:

Unpaid obligations, start of year:				
72.40	Unpaid obligations, start of year	1,697	43	2,329
72.99	Obligated balance, start of year	1,697	43	2,329
73.10	Total new obligations	22,164	22,941	24,947
73.20	Total outlays (gross)	-23,820	-20,653	-24,856
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year	43	2,329	2,420
74.99	Obligated balance, end of year	43	2,329	2,420

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	21,568	20,441	22,529
86.98	Outlays from mandatory balances	2,252	212	2,329
87.00	Total outlays (gross)	23,820	20,653	24,856

Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources		-4	-3
Net budget authority and outlays:				
89.00	Budget authority	21,568	22,766	24,944
90.00	Outlays	23,820	20,649	24,853

Summary of Budget Authority and Outlays

(in millions of dollars)				
Enacted/requested:				
Budget Authority	2000 actual	2001 est.	2002 est.	
Outlays	21,568	22,766	24,944	
Appropriation language to be transmitted later:				
Budget Authority		589		
Outlays		589		
Total:				
Budget Authority	21,568	23,355	24,944	
Outlays	23,820	21,238	24,855	

This appropriation provides for the payment of compensation, pensions, 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 the birth defect spina bifida.

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

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

Veterans:	2000 actual	2001 est.	2002 est.	
Mexican border period	7	6	5	
World War I	56	39	27	
World War II	521,325	484,735	448,755	
Korean conflict	172,542	168,217	163,653	
Vietnam era	738,247	747,699	780,848	
Peacetime service	564,002	574,345	583,298	
Persian Gulf conflict	304,463	349,184	395,248	
Total	2,300,642	2,324,225	2,371,834	
Average payment per case, per year	\$6,732	\$7,152	\$7,563	
Total obligations (in millions)	\$15,488	\$16,622	\$17,939	

Children of Vietnam era veterans:				
Children	890	936	982	
Average payment per case, per year	\$13	\$14	\$15	
Total obligations (in millions)	\$12	\$13	\$15	

Chapter 18 Vocational rehabilitations:				
Rehabilitations	18	19	20	
Average payment per case, per year	\$2,944	\$1,004	\$1,259	
Total obligations (in millions) ¹	\$0	\$0	\$0	

¹ Amounts round to less than \$1 million.

Survivors:				
Prior to Spanish-American War	1	1	1	
Spanish-American War	15	15	12	
Mexican border period	2	2	2	
World War I	3,073	2,569	2,148	
World War II	115,533	113,798	111,787	
Korean conflict	36,699	36,797	36,896	
Vietnam era	102,552	106,182	109,941	
Peacetime service	40,560	39,616	38,658	
Persian Gulf conflict	6,831	7,862	8,871	
Total	305,266	306,842	308,316	
Average payment per case, per year	\$11,534	\$11,980	\$12,338	
Total obligations (in millions)	\$3,521	\$3,676	\$3,804	

Clothing allowance:				
Number of veterans	76,349	76,285	76,234	
Average payment per case, per year	\$550	\$550	\$550	
Total obligations (in millions)	\$42	\$42	\$42	

General and special funds—Continued

COMPENSATION AND PENSIONS—Continued

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

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

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2002, is expected to be 2.5 percent.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	2000 actual	2001 est.	2002 est.
Veterans:			
Improved law	344,509	338,669	333,249
Prior law	25,603	21,776	18,543
Old law and service	324	279	241
Total	370,436	360,724	352,033
Average payment per case, per year (in dollars)	\$6,125	\$6,412	\$6,550
Total obligations (in millions)	\$2,269	\$2,313	\$2,306
Survivors:			
Improved law	182,949	176,516	170,504
Prior law	79,872	71,398	63,930
Old law and service	1,540	1,228	981
Total	264,361	249,142	235,415
Average payment per case, per year	\$2,587	\$2,745	\$2,791
Total obligations (in millions)	\$684	\$684	\$657
Minimum Income for Widows Program:			
Widows		558	523
Average benefit per case, per year		\$7,168	\$5,736
Total obligations (in millions)		\$4	\$3
Vocational training:			
Trainees	8	5	3
Average benefit per year	\$1,625	\$1,200	\$1,333
Total obligations (in millions) ¹			

¹ Amounts round to less than \$1 million.

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

NUMBER OF BURIAL BENEFITS

	2000 actual	2001 est.	2002 est.
Burial allowance	81,190	82,200	84,000
Burial plot	68,422	69,422	70,422
Service-connected death	9,445	9,540	9,740
Burial flags	404,360	600,000	532,000

Headstone markers	327,514	348,840	355,260
Headstone allowance			
Graveliners	49,301	50,362	45,961
Preplaced crypts	3,998	15,773	19,650

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

MISCELLANEOUS ASSISTANCE CASELOAD

	2000 actual	2001 est.	2002 est.
Retired Officers	2	1	1
Special allowance dependents	120	120	120
Equal Access to Justice payments	685	685	685

Object Classification (in millions of dollars)

Identification code 36-0102-0-1-701	2000 actual	2001 est.	2002 est.
42.0 Direct obligations: Insurance claims and indemnities	22,164	22,937	24,944
99.0 Reimbursable obligations: Subtotal, reimbursable obligations		4	3
99.9 Total new obligations	22,164	22,941	24,947

COMPENSATION AND PENSIONS

(Legislative proposal, subject to PAYGO)

The Administration is proposing legislation that would permanently extend the following legal provisions that will otherwise expire over the next several years: (1) rounding down the annual compensation COLA increase, (2) authorization for the Internal Revenue Service to provide VA with access to data for determining eligibility for means-tested benefits, and (3) limiting pensions to Medicaid-eligible recipients in nursing homes.

COMPENSATION AND PENSIONS

(Appropriations language to be transmitted later)

Program and Financing (in millions of dollars)

Identification code 36-0102-3-1-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Compensation:			
Veterans:			
00.01 World War II		88	
00.02 Korean conflict		34	
00.03 Vietnam era		176	
00.04 Peacetime service		116	
00.05 Persian Gulf conflict		69	
00.91 Total veterans		483	
Survivors:			
01.01 World War I		1	
01.02 World War II		38	
01.03 Korean conflict		11	
01.04 Vietnam era		36	
01.05 Peacetime service		13	
01.06 Persian Gulf conflict		2	
01.91 Total survivors		101	
02.93 Total compensation		584	
Other compensation expenses:			
03.01 Children of Vietnam Era		2	
Veterans:			
04.03 Improved Law		3	
10.00 Total new obligations (object class 42.0)		589	

Budgetary resources available for obligation:			
22.00	New budget authority (gross)	589	
23.90	Total budgetary resources available for obligation	589	
23.95	Total new obligations	-589	
New budget authority (gross), detail:			
Mandatory:			
60.00	Appropriation	589	
Change in unpaid obligations:			
73.10	Total new obligations	589	
73.20	Total outlays (gross)	-589	
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	589	
Net budget authority and outlays:			
89.00	Budget authority	589	
90.00	Outlays	589	

The Administration will transmit legislation that would provide \$523 million for increased benefit costs affected by the 3.5 percent rate increase for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, as enacted by Public Law 106-413, the "Veterans' Compensation Cost-of-Living Adjustment Act of 2000." This request also would provide \$12 million to meet additional benefit costs due to program enhancements afforded by Public Law 106-419, the "Veterans Benefits and Health Care Improvement Act of 2000." Additionally, this request would provide \$17 million for benefit costs arising from the addition of diabetes to the list of diseases associated with exposure to certain herbicide agents as provided by the Agent Orange Act of 1991, Public Law 102-4. Lastly, this request would provide \$38 million for rate adjustments due to the Consumer Price Index (CPI) computation error of 1999, as authorized by Public Law 106-554, the Omnibus Consolidated Appropriations Act.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, **[\$1,634,000,000, to remain available until expended] such sums as may be necessary: Provided,** That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under section 3104(a) of title 38, United States Code, other than under subsection (a)(1), (2), (5) and (11) of that section, shall be charged to the account: **Provided further,** That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98-77, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

Identification code 36-0137-0-1-702	2000 actual	2001 est.	2002 est.	
Obligations by program activity:				
Direct program:				
Education and training:				
00.01	Sons and daughters	123	132	157
00.02	Spouses	15	17	29
00.91	Total education and training	138	149	186
Special assistance to disabled veterans:				
01.01	Vocational rehabilitation	439	392	432
01.02	Housing grants	22	21	23
01.03	Automobiles, adaptive equipment, maintenance and repair	35	31	35
01.91	Total special assistance to disabled veterans	496	444	490
02.01	Work study	32	35	50

02.02	Payments to states	13	13	14
02.03	All-volunteer assistance: Veterans' basic benefits	794	1,227	1,339
02.04	Reporting fees	3	4	4
02.05	Tuition Assistance			35
02.06	Licensing and Certification			17
02.91	All-volunteer assistance and other	842	1,279	1,459
02.93	Total direct program	1,476	1,872	2,135
09.01	Veterans' basic benefits	8	7	5
09.01	Veterans' supplementary benefits	73	90	99
09.01	Reservists benefits	103	100	103
09.02	Reservist supplementary benefits	7	14	20
09.03	Reimbursement to GOE		1	1
09.09	Reimbursable programs—subtotal	191	212	228
10.00	Total new obligations	1,667	2,084	2,363

Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	35	26	
22.00	New budget authority (gross)	1,660	1,846	2,363
22.10	Resources available from recoveries of prior year obligations		212	
23.90	Total budgetary resources available for obligation	1,695	2,084	2,363
23.95	Total new obligations	-1,667	-2,084	-2,363
23.98	Unobligated balance expiring or withdrawn	-3		
24.40	Unobligated balance carried forward, end of year	26		

New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	1,469	1,634	
60.05	Appropriation (indefinite)			2,135
62.50	Appropriation (total mandatory)	1,469	1,634	2,135
69.00	Offsetting collections (cash)	191	212	228
70.00	Total new budget authority (gross)	1,660	1,846	2,363

Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.40	Unpaid obligations, start of year	58	37	8
72.99	Obligated balance, start of year	58	37	8
73.10	Total new obligations	1,667	2,084	2,363
73.20	Total outlays (gross)	-1,688	-1,901	-2,301
73.45	Recoveries of prior year obligations		-212	
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year	37	8	70
74.99	Obligated balance, end of year	37	8	70

Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	1,595	1,835	2,293
86.98	Outlays from mandatory balances	93	63	8
87.00	Total outlays (gross)	1,688	1,901	2,301

Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-191	-212	-228

Net budget authority and outlays:				
89.00	Budget authority	1,469	1,634	2,135
90.00	Outlays	1,497	1,689	2,073

Summary of Budget Authority and Outlays

	(in millions of dollars)		
	2000 actual	2001 est.	2002 est.
Enacted/requested:			
Budget Authority	1,469	1,634	2,135
Outlays	1,497	1,686	2,073
Appropriation language to be transmitted later:			
Budget Authority		347	
Outlays		284	63
Total:			
Budget Authority	1,469	1,981	2,135
Outlays	1,497	1,970	2,136

This appropriation finances educational assistance allowances for certain service persons, peacetime veterans and for eligible dependents of those veterans: (a) who died from service-connected causes or have a total and permanent rated

General and special funds—Continued

READJUSTMENT BENEFITS—Continued

service-connected disability; and (b) servicepersons who were captured or missing in action. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the associated approved adaptive equipment. This appropriation provides such sums as may be necessary in 2002 to meet program obligations which are currently estimated to be \$2,135 million.

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

NUMBER OF TRAINEES AND COST

	2000 actual	2001 est.	2002 est.
Sons and daughters:			
Number of trainees	38,965	39,891	41,373
Average cost per trainee (in dollars)	\$3,159	\$3,774	\$3,785
Total cost (in millions)	\$123	\$151	\$157
Spouses and widow(ers):			
Number of trainees	5,855	7,216	8,947
Average cost per trainee (in dollars)	\$2,538	\$3,210	\$3,290
Total cost (in millions)	\$15	\$23	\$29

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

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

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

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

CASELOAD AND AVERAGE COST DATA

	2000 actual	2001 est.	2002 est.
Total number of trainees	52,786	53,250	53,400
Average cost per trainee	\$8,310	\$7,872	\$8,092
Total cost (in millions)	\$439	\$419	\$432
Housing grants:			
Number of housing grants	574	600	600
Average cost per grant	\$38,009	\$38,009	\$38,009
Total cost (in millions)	\$22	\$23	\$23
Automobiles or other conveyances:			
Number of conveyances	987	1,000	1,000
Average cost per conveyance	\$7,947	\$7,947	\$7,947
Total cost (in millions)	\$8	\$8	\$8
Adaptive equipment (including maintenance, repair and installation for automobiles):			
Number of items	8,459	8,300	8,100
Average cost	\$3,218	\$3,311	\$3,394
Total cost (in millions)	\$27	\$27	\$27

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.

Licensing and certification test payments.—Under Public Law 106-419, enacted November 1, 2000, 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.

CASELOAD AND AVERAGE COST DATA

	2000 actual	2001 est.	2002 est.
Tuition Assistance:			
Number of trainees	N/A	161,000	214,000
Average cost per trainee	N/A	\$155	\$161
Total cost (in millions)	N/A	\$25	\$35
Licensing and Certification:			
Number of individuals	N/A	26,800	101,800
Average cost per trainee	N/A	\$112	\$167
Total cost (in millions)	N/A	\$3	\$17

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

	2000 actual	2001 est.	2002 est.
Number of contracts	21,511	28,400	28,900
Total cost (in millions)	\$32	\$51	\$50

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.—Public Law 105-368, enacted November 11, 1998, transferred the reporting fee payments from the General Operating Expenses appropriation (GOE). 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.

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

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

CASELOAD AND AVERAGE COST DATA

	2000 actual	2001 est.	2002 est.
Veterans:			
Number of trainees	279,949	324,300	334,300
Average cost per trainee	\$3,133	\$4,181	\$4,316
Total cost (in millions)	\$877	\$1,356	\$1,443
Reservists:			
Number of trainees	70,299	71,500	70,500
Average cost per trainee	\$1,531	\$1,620	\$1,752
Total cost (in millions)	\$108	\$116	\$124

Object Classification (in millions of dollars)

Identification code 36-0137-0-1-702	2000 actual	2001 est.	2002 est.
41.0 Direct obligations: Grants, subsidies, and contributions	1,476	1,872	2,135
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	191	212	228
99.9 Total new obligations	1,667	2,084	2,363

READJUSTMENT BENEFITS

(Appropriations language to be transmitted later)

Program and Financing (in millions of dollars)

Identification code 36-0137-3-1-702	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Direct program:			
Education and training:			
00.01 Sons and daughters		19	
00.02 Spouses		6	
00.91 Total education and training		25	
Special assistance to disabled veterans:			
01.01 Vocational rehabilitation		27	
01.02 Housing grants		2	
01.03 Automobiles, adaptive equipment, maintenance and repair		4	
01.04 Tuition Assistance		25	
01.05 Licensing and Certification		3	
01.91 Total special assistance to disabled veterans		61	
02.01 Work study		15	
02.02 Payments to states		1	
02.03 All-volunteer assistance: Veterans' basic benefits		242	
02.04 Reporting fees		-1	
02.91 All-volunteer assistance and other		257	
02.93 Total direct program		343	
09.03 Reimbursement to GOE		4	
09.09 Reimbursable programs—subtotal		4	
10.00 Total new obligations		347	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		347	
23.90 Total budgetary resources available for obligation		347	
23.95 Total new obligations		-347	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		347	
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year			63
72.99 Obligated balance, start of year			63
73.10 Total new obligations		347	
73.20 Total outlays (gross)		-284	-63
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year			63
74.99 Obligated balance, end of year			63
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		284	
86.98 Outlays from mandatory balances			63
87.00 Total outlays (gross)		284	63
Net budget authority and outlays:			
89.00 Budget authority		347	
90.00 Outlays		284	63

Object Classification (in millions of dollars)

Identification code 36-0137-3-1-702	2000 actual	2001 est.	2002 est.
41.0 Direct obligations: Grants, subsidies, and contributions		343	
99.0 Reimbursable obligations: Subtotal, reimbursable obligations		4	
99.9 Total new obligations		347	

The Administration will transmit legislation that would provide \$347 million for program increases that are required by recently-enacted legislation and greater than expected numbers of trainees and average costs per trainee. Public Law 106-398, the "Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001" authorizes Montgomery GI Bill (MGIB) payments to active-duty personnel to supplement their military tuition assistance. Public Law 106-419, the "Veterans Benefits and Health Care Improvement Act of 2000" also expanded educational assistance. It includes provisions that: increased basic full-time monthly benefit rates under MGIB from \$552 to \$650, effective November 1, 2000 (an increase of 21 percent over rates for 2000 when previously only a 3 percent cost-of-living adjustment had been authorized); increased monthly rates for Survivors' and Dependents' Educational Assistance from \$485 to \$588, effective November 1, 2000 (an increase of 21 percent over rates for 2000 when previously none had been authorized); and provide up to \$2,000 for licensing and certification testing under MGIB, effective March 1, 2001.

REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS UNDER PUBLIC LAW 97-377

Program and Financing (in millions of dollars)

Identification code 36-0200-0-1-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Return of overpayment	2		
01.00 Total Direct Program	2		
09.01 Reimbursables	16	15	14
09.99 Total reimbursable program	16	15	14
10.00 Total new obligations (object class 42.0)	18	15	14
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	16	15	14
23.90 Total budgetary resources available for obligation	16	15	14
23.95 Total new obligations	-18	-15	-14
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	16	15	14
Change in unpaid obligations:			
73.10 Total new obligations	18	15	14
73.20 Total outlays (gross)	-16	-15	-14
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	16	15	14
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-16	-15	-14
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

In accordance with Public Law 97-377, this program restores social security benefits to certain surviving spouses or children of veterans who died of service-connected causes.

General and special funds—Continued

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

Financing is provided in the form of offsetting collections from the Department of Defense.

CASELOAD AND AVERAGE COST DATA

	2000 actual	2001 est.	2002 est.
Spouses	227	210	184
Average benefit	\$13,215	\$14,285	\$16,304
Obligations (in millions)	\$3	\$3	\$3
Children	911	840	783
Average benefit	\$10,978	\$14,285	\$14,049
Obligations (in millions)	\$10	\$12	\$11

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, \$19,850,000, to remain available until expended] such sums as may be necessary. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Operating expenses:			
00.04 Payment to national service life insurance fund	1	1	1
00.05 Payment to service-disabled veterans insurance fund	19	18	19
00.06 Total operating expenses	8	8	8
10.00 Total new obligations	28	27	28
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	5	
22.00 New budget authority (gross)	31	22	28
23.90 Total budgetary resources available for obligation	33	27	28
23.95 Total new obligations	-28	-27	-28
24.40 Unobligated balance carried forward, end of year	5		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	29	20	26
69.00 Offsetting collections (cash)	2	2	2
70.00 Total new budget authority (gross)	31	22	28
Change in unpaid obligations:			
73.10 Total new obligations	28	27	28
73.20 Total outlays (gross)	-28	-27	-28
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	28	22	28
86.98 Outlays from mandatory balances		5	
87.00 Total outlays (gross)	28	27	28
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	29	20	28
90.00 Outlays	26	25	26

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

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

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

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 2002 as indicated in the following table.

POLICIES AND INSURANCE IN FORCE

	2000 actual	2001 est.	2002 est.
VMLI policies:			
Number of policies	3,457	3,340	3,250
Amount of insurance (dollars in millions)	198	198	198

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

Object Classification (in millions of dollars)

Identification code 36-0120-0-1-701	2000 actual	2001 est.	2002 est.
41.0 Grants, subsidies, and contributions	20	19	20
42.0 Insurance claims and indemnities	8	8	8
99.9 Total new obligations	28	27	28

Public enterprise funds:

SERVICE-DISABLED VETERANS INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-4012-0-3-701	2000 actual	2001 est.	2002 est.
01.99 Balance, start of year	34	27	18
Appropriations:			
05.00 Service-disabled veterans insurance fund	-7	-9	-13
07.99 Balance, end of year	27	18	5

Program and Financing (in millions of dollars)

Identification code 36-4012-0-3-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01 Capital investment	12	12	12
09.01 Death claims	43	44	46
09.01 All other	9	9	10
10.00 Total new obligations	64	65	68
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	64	65	68
23.95 Total new obligations	-64	-65	-68
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	57	56	55
69.26 From offsetting collections (unavailable balances)	7	9	13
69.90 Spending authority from offsetting collections (total mandatory)	64	65	68
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	8	8	6
72.99 Obligated balance, start of year	8	8	6

73.10	Total new obligations	64	65	68
73.20	Total outlays (gross)	-64	-67	-68
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year	8	6	6
74.99	Obligated balance, end of year	8	6	6
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	57	59	62
86.98	Outlays from mandatory balances	7	8	6
87.00	Total outlays (gross)	64	67	68
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Payments from VI and I	-19	-18	-18
Non-Federal sources:				
88.40	Interest on loans	-3	-3	-3
88.40	Insurance premiums earned	-23	-23	-22
88.40	Repayments of loans	-12	-12	-12
88.90	Total, offsetting collections (cash)	-57	-56	-55
Net budget authority and outlays:				
89.00	Budget authority	7	9	13
90.00	Outlays	7	11	13

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

Operating costs—

Death claims.—Represents payments to designated beneficiaries.

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

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

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

POLICIES AND INSURANCE IN FORCE

	2000 actual	2001 est.	2002 est.
Number of policies	151,315	147,935	144,450
Insurance in force (dollars in millions)	1,418	1,398	1,375

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 \$461 million by September 30, 2002.

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	2000 actual	2001 est.	2002 est.
33.0 Investments and loans	12	12	12
42.0 Insurance claims and indemnities	52	53	56
99.9 Total new obligations	64	65	68

VETERANS REOPENED INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-4010-0-3-701	2000 actual	2001 est.	2002 est.
01.99 Balance, start of year	466	454	437
Appropriations:			
05.00 Veterans reopened insurance fund	-12	-17	-18

07.99	Balance, end of year	454	437	419
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Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	2000 actual	2001 est.	2002 est.	
Obligations by program activity:				
09.01	Death claims	35	38	39
09.01	Dividends	22	21	18
09.01	All other	8	8	8
09.01	Capital investment: policy loans	5	5	5
10.00	Total new obligations	70	72	70
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	70	72	70
23.95	Total new obligations	-70	-72	-70
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	58	55	52
69.26	From offsetting collections (unavailable balances)	12	17	18
69.90	Spending authority from offsetting collections (total mandatory)	70	72	70
Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.40	Unpaid obligations, start of year	44	46	48
72.99	Obligated balance, start of year	44	46	48
73.10	Total new obligations	70	72	70
73.20	Total outlays (gross)	-68	-70	-69
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year	46	48	49
74.99	Obligated balance, end of year	46	48	49
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	24	46	48
86.98	Outlays from mandatory balances	44	24	21
87.00	Total outlays (gross)	68	70	69
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: interest on U.S. securities	-38	-36	-34
Non-Federal sources:				
88.40	Interest on loans	-1	-2	-1
88.40	Insurance premiums earned	-13	-12	-11
88.40	Repayments of loans	-6	-5	-6
88.90	Total, offsetting collections (cash)	-58	-55	-52
Net budget authority and outlays:				
89.00	Budget authority	12	17	18
90.00	Outlays	10	15	17
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities:			
	Par value	509	500	485
92.02	Total investments, end of year: Federal securities:			
	Par value	500	485	467

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

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

Budget program—

Death claims.—Represents payments to designated beneficiaries.

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

All other.—This represents payments to the General Operating Expenses account for the administrative costs of

Public enterprise funds—Continued

VETERANS REOPENED INSURANCE FUND—Continued

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

	2000 actual	2001 est.	2002 est.
Number of policies	77,638	72,300	66,890
Insurance in force (dollars in millions)	648	617	584

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	2000 actual	2001 est.	2002 est.
33.0 Investments and loans	5	5	5
42.0 Insurance claims and indemnities	39	42	43
43.0 Interest and dividends	26	25	22
99.9 Total new obligations	70	72	70

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01 Premium payments	377	441	489
09.01 Payment to GOE account	1	1	1
10.00 Total new obligations (object class 41.0)	378	442	490

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	378	442	490
23.90 Total budgetary resources available for obligation	379	443	491
23.95 Total new obligations	-378	-442	-490
24.40 Unobligated balance carried forward, end of year	1	1	1

New budget authority (gross), detail:

Mandatory:			
69.00 Offsetting collections (cash)	378	442	490

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	5	5	5
Unpaid obligations, end of year:			
72.99 Obligated balance, start of year	5	5	5
73.10 Total new obligations	378	442	490
73.20 Total outlays (gross)	-378	-442	-490
74.40 Unpaid obligations, end of year	5	5	5
74.99 Obligated balance, end of year	5	5	5

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	373	437	485
86.98 Outlays from mandatory balances	5	5	5
87.00 Total outlays (gross)	378	442	490

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay	-378	-442	-490

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays			

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	5	5	5
92.02 Total investments, end of year: Federal securities:			
Par value	5	5	5

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

Credit accounts:

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

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year [2001] 2002, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: *Provided further, that no funds shall be available for costs of new loans for purchasers of Federally-owned property, "Vendee Home Loans."*

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [\$162,000,000] \$164,497,000, which may be transferred to and merged with the appropriation for "General operating expenses": *Provided, that no funds shall be available for administrative costs of new "Vendee Home Loans". (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)*

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 36-1119-0-1-704	2000 actual	2001 est.	2002 est.
0101 GIF direct loans, downward reestimate of subsidies	1,064	1,420	

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Direct loan subsidy	40	37	15
00.02 Guaranteed loan subsidy	217	143	188
00.05 Reestimates of direct loan subsidy	6	19	
00.06 Interest on reestimates of the direct loan subsidy	3	5	
00.07 Reestimates of guaranteed loan subsidy	890	123	
00.08 Interest on reestimates of the guaranteed loan subsidy	347	24	
00.11 Administrative expenses	157	162	166
10.00 Total new obligations	1,660	513	369

Budgetary resources available for obligation:

22.00 New budget authority (gross)	1,660	513	369
23.95 Total new obligations	-1,660	-513	-369

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation (definite)	157	162	166
Mandatory:			
60.05 Appropriation (indefinite)	1,503	351	203
70.00 Total new budget authority (gross)	1,660	513	369

Change in unpaid obligations:

73.10 Total new obligations	1,660	513	369
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73.20	Total outlays (gross)	-1,660	-513	-369
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	157	162	166
86.97	Outlays from new mandatory authority	1,503	351	203
87.00	Total outlays (gross)	1,660	513	369
Net budget authority and outlays:				
89.00	Budget authority	1,660	513	369
90.00	Outlays	1,660	513	369

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2000 actual	2001 est.	2002 est.
Budget Authority	1,660	513	369
Outlays	1,660	513	369
Legislative proposal, not subject to PAYGO:			
Budget Authority			-1
Outlays			-1
Legislative proposal, subject to PAYGO:			
Budget Authority			-15
Outlays			-15
Total:			
Budget Authority	1,660	513	353
Outlays	1,660	513	353

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

Identification code 36-1119-0-1-704	2000 actual	2001 est.	2002 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	1,435	1,697	1,710
1159 Total direct loan levels	1,435	1,697	1,710
Direct loan subsidy (in percent):			
1320 Subsidy rate	1.81	2.16	0.86
1329 Weighted average subsidy rate	1.81	2.16	0.86
Direct loan subsidy budget authority:			
1330 Subsidy budget authority	40	37	15
1330 Subsidy budget authority for downward reestimates	-67	-163	
1330 Subsidy budget authority for upward reestimates	9	24	
1339 Total subsidy budget authority	-18	-102	15
Direct loan subsidy outlays:			
1340 Subsidy outlays	40	37	15
1340 Subsidy outlays for downward reestimates	-67	-163	
1340 Subsidy outlays for upward reestimates	9	24	
1349 Total subsidy outlays	-18	-102	15
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Guaranteed loan	20,159	29,535	28,949
2150 Guaranteed loan sales	1,457	1,108	1,498
2159 Total loan guarantee levels	21,616	30,643	30,447
Guaranteed loan subsidy (in percent):			
2320 Guaranteed loan subsidy rate	0.49	0.29	0.39
2320 Guaranteed loan sales subsidy rate	3.60	5.21	5.05
2329 Weighted average subsidy rate	0.70	0.47	0.62
Guaranteed loan subsidy budget authority:			
2330 Guaranteed loan budget authority	137	86	113
2330 Guaranteed loan sale budget authority	79	58	75
2330 Subsidy budget authority downward reestimates	-997	-1,257	
2330 Subsidy budget authority upward reestimates	1,237	147	
2339 Total subsidy budget authority	456	-966	188
Guaranteed loan subsidy outlays:			
2340 Guaranteed loan subsidy outlay	137	86	113
2340 Guaranteed loan sale subsidy outlay	79	58	75
2340 Subsidy outlays for downward reestimates	-997	-1,257	
2340 Subsidy outlays for upward reestimates	1,237	147	
2349 Total subsidy outlays	456	-966	188
Administrative expense data:			
3510 Budget authority	157	162	166
3590 Outlays from new authority	157	162	166

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

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

As part of a continuing effort to reduce administrative costs, in addition to restructuring and consolidations, VA is conducting a study of the property management function to determine whether it would be more cost effective to contract out this activity. The study will be complete at the end of 2001.

Object Classification (in millions of dollars)

Identification code 36-1119-0-1-704	2000 actual	2001 est.	2002 est.
25.3 Purchases of goods and services from Government accounts	157	162	166
41.0 Grants, subsidies, and contributions	1,503	351	203
99.9 Total new obligations	1,660	513	369

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-1119-2-1-704	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.11 Administrative expenses			-1
10.00 Total new obligations (object class 25.3)			-1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-1
23.95 Total new obligations			1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation (definite)			-1
Change in unpaid obligations:			
73.10 Total new obligations			-1
73.20 Total outlays (gross)			1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			-1
Net budget authority and outlays:			
89.00 Budget authority			-1
90.00 Outlays			-1
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 36-1119-2-1-704	2000 actual	2001 est.	2002 est.
Direct loan levels supportable by subsidy budget authority:			
Direct loan subsidy (in percent):			
1320 Subsidy rate			0.00
Weighted average subsidy rate:			
1329 Weighted average subsidy rate			0.00
Guaranteed loan subsidy (in percent):			
2320 Guaranteed loan subsidy rate			0.00

Credit accounts—Continued

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT—Continued

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

Identification code 36-1119-2-1-704	2000 actual	2001 est.	2002 est.
2320 Guaranteed loan sales subsidy rate			0.00
2329 Weighted average subsidy rate			0.00
Administrative expense data:			
3510 Budget authority			-1
3590 Outlays from new authority			-1

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

Program and Financing (in millions of dollars)

Identification code 36-1119-4-1-704	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Direct loan subsidy			15
00.02 Guaranteed loan subsidy			-30
10.00 Total new obligations (object class 41.0)			-15
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-15
23.95 Total new obligations			15
New budget authority (gross), detail:			
Mandatory:			
60.05 Appropriation (indefinite)			-15
			-15
Change in unpaid obligations:			
73.10 Total new obligations			-15
73.20 Total outlays (gross)			15
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-15
Net budget authority and outlays:			
89.00 Budget authority			-15
90.00 Outlays			-15

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

Identification code 36-1119-4-1-704	2000 actual	2001 est.	2002 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels			-1,591
1159 Total direct loan levels			-1,591
Direct loan subsidy (in percent):			
1320 Subsidy rate			23.83
1329 Weighted average subsidy rate			23.83
Direct loan subsidy budget authority:			
1330 Subsidy budget authority			15
1339 Total subsidy budget authority			15
Direct loan subsidy outlays:			
1340 Subsidy outlays			15
1349 Total subsidy outlays			15
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Guaranteed loan sales			-1,130
2159 Total loan guarantee levels			-1,130
Guaranteed loan subsidy (in percent):			
2320 Guaranteed loan subsidy rate			0.09
2320 Guaranteed loan sales subsidy rate			0.25

2329 Weighted average subsidy rate			-0.08
Guaranteed loan subsidy budget authority:			
2330 Guaranteed loan budget authority			26
2330 Guaranteed loan sale budget authority			-57
Guaranteed loan subsidy outlays:			
2339 Total subsidy budget authority			-31
Guaranteed loan subsidy outlays:			
2340 Guaranteed loan subsidy outlay			26
2340 Guaranteed loan sale subsidy outlay			-57
2349 Total subsidy outlays			-31

VETERANS HOUSING BENEFIT PROGRAM FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4127-0-3-704	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Direct loans	1,435	1,696	1,710
00.02 Interest on Treasury borrowing	249	136	161
00.03 Property sales expense	2	2	2
00.04 Property management/other expense	4	1	1
00.05 Property improvement expense	4	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	1,694	1,836	1,875
08.02 Payment of downward reestimate to receipt account	58	127	
08.04 Payment of excess interest earned to receipt account	9	36	
08.91 Direct Program by Activities—Subtotal (1 level)	67	163	
10.00 Total new obligations	1,761	1,999	1,875
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	908	279	
22.00 New financing authority (gross)	1,132	1,720	1,875
23.90 Total budgetary resources available for obligation	2,040	1,999	1,875
23.95 Total new obligations	-1,761	-1,999	-1,875
24.40 Unobligated balance carried forward, end of year	279		
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	1,150	1,519	1,695
69.00 Offsetting collections (cash)	1,820	1,372	1,715
69.47 Portion applied to repay debt	-1,838	-1,171	-1,535
69.90 Spending authority from offsetting collections (total mandatory)	-18	201	180
70.00 Total new financing authority (gross)	1,132	1,720	1,875
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	-1	9	11
72.99 Obligated balance, start of year	-1	9	11
73.10 Total new obligations	1,761	1,999	1,875
73.20 Total financing disbursements (gross)	-1,751	-1,998	-1,875
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	9	11	10
74.99 Obligated balance, end of year	9	11	10
87.00 Total financing disbursements (gross)	1,751	1,998	1,875
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources: Payments from program account	-50	-61	-15
88.00 Transfer of loan sales from LSSA	-1,454	-1,048	-1,418
Non-Federal sources:			
Non-Federal sources:			
88.40 Repayments of principal	-82	-80	-105
88.40 Interest received on loans	-87	-88	-82
88.40 Fees	-21	-26	-26
88.40 Downpayment on Vendee loan/other	-19	-36	-36
88.40 Cash sale of properties	-15	-33	-33
88.40 Other revenue	-92		
88.90 Total, offsetting collections (cash)	-1,820	-1,372	-1,715

Net financing authority and financing disbursements:				
89.00	Financing authority	- 688	348	160
90.00	Financing disbursements	- 70	626	160

Status of Direct Loans (in millions of dollars)

Identification code 36-4127-0-3-704		2000 actual	2001 est.	2002 est.
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	1,435	1,697	1,710
1150	Total direct loan obligations	1,435	1,697	1,710
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,600	1,556	2,060
1231	Disbursements: Direct loan disbursements	1,435	1,697	1,710
Repayments:				
1251	Repayments and prepayments	- 82	- 80	- 105
1253	Proceeds from loan asset sales to the public with recourse	- 1,454	- 1,048	- 1,419
1262	Adjustments: Discount on loan asset sales to the public or discounted	- 4	- 59	- 80
Write-offs for default:				
1263	Direct loans	- 6	- 6	- 8
1264	Other adjustments, net	67		
1290	Outstanding, end of year	1,556	2,060	2,158

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		1999 actual	2000 actual	2001 est.	2002 est.
ASSETS:					
1101	Federal assets: Fund balances with Treasury	1,014	312	422	283
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross	1,588	1,556	2,060	2,158
1402	Interest receivable		121	160	167
1499	Net present value of assets related to direct loans	1,588	1,677	2,220	2,325
1999	Total assets	2,602	1,989	2,642	2,608
LIABILITIES:					
2104	Federal liabilities: Resources payable to Treasury	1,944	1,778	2,353	2,465
Non-Federal liabilities:					
2201	Accounts payable	103			
2204	Liabilities for loan guarantees	555	211	288	143
2999	Total liabilities	2,602	1,989	2,641	2,608
4999	Total liabilities and net position	2,602	1,989	2,641	2,608

VETERANS HOUSING BENEFIT PROGRAM FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4129-0-3-704		2000 actual	2001 est.	2002 est.
Obligations by program activity:				
00.01	Acquisition of homes	1,341	1,623	2,017
00.02	Losses on defaulted loans	485	497	518
00.03	Interest on Treasury borrowing	2	2	2
00.04	Reimburse DLFA for loan sales	1,454	1,049	1,419
00.05	Payment to trustee reserve	76	72	75
00.06	Reimburse Liquidating for subordination certificate	37	36	30
00.07	Loan Sale Closing Costs	3	6	7
00.09	Property sales expense	103	128	161
00.10	Property management expense	47	70	83
00.11	Property improvement expense	58	49	53

00.12	Loans acquired	236	103	92
00.91	Direct Program by Activities—Subtotal (1 level)	3,842	3,635	4,457
08.02	Payment of downward reestimate to receipt account	661	893	
08.04	Payment of excess interest to receipt account	336	364	
08.91	Direct Program by Activities—Subtotal (1 level)	997	1,257	
10.00	Total new obligations	4,839	4,892	4,457

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	4,438	5,128	4,346
22.00	New financing authority (gross)	5,529	4,111	4,501
23.90	Total budgetary resources available for obligation	9,967	9,239	8,847
23.95	Total new obligations	- 4,839	- 4,892	- 4,457
24.40	Unobligated balance carried forward, end of year	5,128	4,346	4,390

New financing authority (gross), detail:

Mandatory:				
69.00	Offsetting collections (cash)	5,565	4,111	4,501
69.47	Portion applied to repay debt	- 36		
69.90	Spending authority from offsetting collections (total mandatory)	5,529	4,111	4,501
70.00	Total new financing authority (gross)	5,529	4,111	4,501

Change in unpaid obligations:

Unpaid obligations, start of year:				
72.40	Unpaid obligations, start of year	166	22	25
72.99	Obligated balance, start of year	166	22	25
73.10	Total new obligations	4,839	4,892	4,457
73.20	Total financing disbursements (gross)	- 4,982	- 4,889	- 4,462
Unpaid obligations, end of year:				
74.40	Unpaid obligations, end of year	22	25	20
74.99	Obligated balance, end of year	22	25	20
87.00	Total financing disbursements (gross)	4,982	4,889	4,462

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
Federal sources:				
88.00	Payments from program account	- 1,454	- 290	- 188
88.00	Recoveries from DLFA	- 1,233	- 1,435	- 1,472
88.25	Interest on uninvested funds	- 298	- 233	- 213
Non-Federal sources:				
Non-Federal sources:				
88.40	Funding fees	- 423	- 577	- 567
88.40	Cash sale of properties	- 633	- 468	- 588
88.40	Redemption of properties and other		- 23	- 25
88.40	Refunds from Trust	- 26		
88.40	Subordinate certificate deposits	- 37	- 37	- 30
88.45	Loan sale proceeds	- 1,461	- 1,048	- 1,418
88.90	Total, offsetting collections (cash)	- 5,565	- 4,111	- 4,501

Net financing authority and financing disbursements:

89.00	Financing authority	- 36		
90.00	Financing disbursements	- 583	778	- 39

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4129-0-3-704		2000 actual	2001 est.	2002 est.
Position with respect to appropriations act limitation on commitments:				
2131	Guaranteed loan commitments exempt from limitation	20,159	29,535	28,949
2132	Guaranteed loan commitments for loan asset sales with recourse	1,457	1,108	1,498
2150	Total guaranteed loan commitments	21,616	30,643	30,447
2199	Guaranteed amount of guaranteed loan commitments	7,993	10,682	10,883
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	203,651	211,568	225,644
2231	Disbursements of new guaranteed loans	20,159	29,535	28,949
2232	Guarantees of loans sold to the public with recourse	1,457	1,108	1,499
2251	Repayments and prepayments	- 12,203	- 13,532	- 14,732
Adjustments:				
2261	Terminations for default that result in loans receivable	- 177	- 140	- 145
2262	Terminations for default that result in acquisition of property	- 1,341	- 1,623	- 2,017

Credit accounts—Continued

VETERANS HOUSING BENEFIT PROGRAM FUND GUARANTEED LOAN FINANCING ACCOUNT—Continued

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

Identification code 36-4129-0-3-704	2000 actual	2001 est.	2002 est.
2263 Terminations for default that result in claim payments	-462	-510	-526
2264 Other adjustments, net	484	-762	-735
2290 Outstanding, end of year	211,568	225,644	237,937
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	73,959	78,391	82,478
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	197	9	122
2331 Disbursements for guaranteed loan claims	177	140	145
2351 Repayments of loans receivable	-12	-1	-8
2361 Write-offs of loans receivable	-66	-26	-47
2364 Other adjustments, net	-287		
2390 Outstanding, end of year	9	122	212

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	1999 actual	2000 actual	2001 est.	2002 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	4,603	5,150	4,347	4,641
Investments in US securities:				
1106 Receivables, net	823	114	95	102
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	197	9	122	212
1502 Interest receivable		9	9	10
1504 Accounts receivable from foreclosed property	966	806	837	896
1505 Other assets		196	195	207
1599 Net present value of assets related to defaulted guaranteed loans	1,163	1,020	1,163	1,325
1999 Total assets	6,627	6,284	5,605	6,068
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	166	38	18	20
2105 Other	403	1,296	445	558
2204 Non-Federal liabilities: Non-federal liabilities	6,058	4,950	5,142	5,490
2999 Total liabilities	6,627	6,284	5,605	6,068
4999 Total liabilities and net position	6,627	6,284	5,605	6,068

VETERANS HOUSING BENEFIT PROGRAM FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4025-0-3-704	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Capital investments:			
00.01 Acquisition of homes	190	175	148

00.02 Property improvements	8	16	13
00.03 Cash advances	11	10	9
00.04 Acquisition of defaulted guaranteed loans	27	37	35
00.05 Repurchase of loans sold	12	9	8
00.91 Total capital investments	248	247	213
01.00 Total capital investments	248	247	213
Operating expenses:			
01.02 Property management expense	15	22	19
01.03 Sales expense	19	20	18
01.04 Claims processed	59	57	56
01.05 Other operating expenses		2	2
01.91 Total operating expenses	93	101	95
10.00 Total new obligations (object class 33.0)	341	348	308

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	114	244	
22.00 New budget authority (gross)	547	433	390
22.10 Resources available from recoveries of prior year obligations	138		
22.40 Capital transfer to general fund	-215	-329	-82
23.90 Total budgetary resources available for obligation	584	348	308
23.95 Total new obligations	-341	-348	-308
24.40 Unobligated balance carried forward, end of year	244		

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	132		
69.00 Offsetting collections (cash)	415	433	390
70.00 Total new budget authority (gross)	547	433	390

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	45	88	90
72.99 Obligated balance, start of year	45	88	90
73.10 Total new obligations	341	348	308
73.20 Total outlays (gross)	-160	-346	-319
73.45 Recoveries of prior year obligations	-138		
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	88	90	79
74.99 Obligated balance, end of year	88	90	79

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	115	258	229
86.98 Outlays from mandatory balances	45	88	90
87.00 Total outlays (gross)	160	346	319

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources: Payments from direct loan financing account	-181	-262	-238
88.00 Federal sources: Payments from loan sales	-37	-36	-30
Non-Federal sources:			
88.40 Non-Federal sources: Loan and other repayments	-46	-24	-21
88.40 Sale of homes, cash	-95	-69	-62
88.40 Interest on loans	-35	-32	-29
88.40 Collection of claims (veteran indebtedness)	-20	-10	-10
88.40 Other revenue	-1		
88.90 Total, offsetting collections (cash)	-415	-433	-390

Net budget authority and outlays:

89.00 Budget authority	132		
90.00 Outlays	-255	-87	-71

Summary of Budget Authority and Outlays

(in millions of dollars)

	2000 actual	2001 est.	2002 est.
Enacted/requested:			
Budget Authority	132		
Outlays	-255	-87	-71
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays			34
Total:			
Budget Authority	132		

Outlays	-255	-87	-37
Status of Direct Loans (in millions of dollars)			
Identification code 36-4025-0-3-704	2000 actual	2001 est.	2002 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	317	164	148
1232 Disbursements: Purchase of loans assets from the public	12	9	8
Repayments:			
1251 Repayments and prepayments	-46	-24	-21
1253 Proceeds from loan asset sales to the public with recourse	-9	-13	-12
1261 Adjustments: Capitalized interest	23	12	11
1264 Write-offs for default: Other adjustments, net	-133		
1290 Outstanding, end of year	164	148	134

Status of Guaranteed Loans (in millions of dollars)			
Identification code 36-4025-0-3-704	2000 actual	2001 est.	2002 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	17,638	12,740	9,132
2232 Guarantees of loans sold to the public with recourse	1		
2251 Repayments and prepayments	-4,623	-3,339	-2,393
Adjustments:			
2261 Terminations for default that result in loans receivable	-27	-36	-35
2262 Terminations for default that result in acquisition of property	-190	-175	-148
2263 Terminations for default that result in claim payments	-59	-58	-56
2290 Outstanding, end of year	12,740	9,132	6,500
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	5,763	4,131	2,941

Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	574	286	286
2331 Disbursements for guaranteed loan claims	27	36	35
2351 Repayments of loans receivable	-20	-10	-10
2361 Write-offs of loans receivable	-116	-26	-25
2364 Other adjustments, net	-179		
2390 Outstanding, end of year	286	286	286

Statement of Operations (in millions of dollars)				
Identification code 36-4025-0-3-704	1999 actual	2000 actual	2001 est.	2002 est.
0101 Revenue	393	93	101	81
0102 Expense	-168	-93	-101	-95
0105 Net income or loss (-)	225			-14

Balance Sheet (in millions of dollars)				
Identification code 36-4025-0-3-704	1999 actual	2000 actual	2001 est.	2002 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	160			
Investments in US securities:				
Receivables, net:				
1106 Receivables, net	93			
1106 Receivables, net		165	148	134
Non-Federal assets:				
1201 Investments in non-Federal securities, net	239			
1206 Accounts Receivable, net	1			
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	377			
1499 Net present value of assets related to direct loans	377			
1999 Total assets	870	165	148	134
LIABILITIES:				
Federal liabilities:				
2103 Debt		165	148	134

2105 Federal liabilities: Other	731			
Non-Federal liabilities:				
2201 Accounts payable	149			
2207 Other	-10			
2999 Total liabilities	870	165	148	134
4999 Total liabilities and net position	870	165	148	134

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.

VETERANS HOUSING BENEFIT PROGRAM FUND LIQUIDATING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)				
Identification code 36-4025-4-3-704	2000 actual	2001 est.	2002 est.	
Budgetary resources available for obligation:				
22.00 New budget authority (gross)				-34
22.40 Capital transfer to general fund				34
New budget authority (gross), detail:				
Mandatory:				
69.00 Offsetting collections (cash)				-34
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00 Federal sources: Payments from direct loan financing account				203
Non-Federal sources:				
Non-Federal sources:				
88.40 Loan and other repayments				-1
88.40 Sale of homes, cash				-168
88.90 Total, offsetting collections (cash)				34
Net budget authority and outlays:				
89.00 Budget authority				
90.00 Outlays				34

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

MISCELLANEOUS VETERANS HOUSING LOANS PROGRAM ACCOUNT
NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, **[\$532,000] \$544,000**, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

Not to exceed \$750,000 of the amounts appropriated by this Act for "General operating expenses" and "Medical care" may be expended for the administrative expenses to carry out the guaranteed loan program authorized by 38 U.S.C. chapter 37, subchapter VI. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Credit accounts—Continued

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS
VETERANS PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)

Identification code 36-0128-0-1-704	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy		6	10
00.09 Administrative expenses	1	1	1
10.00 Total new obligations (object class 25.3)	1	7	11
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	51	45
22.00 New budget authority (gross)	46	1	1
23.90 Total budgetary resources available for obligation	52	52	46
23.95 Total new obligations	-1	-7	-11
24.40 Unobligated balance carried forward, end of year	51	45	35
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1	1	1
Mandatory:			
60.00 Appropriation	45		
70.00 Total new budget authority (gross)	46	1	1
Change in unpaid obligations:			
73.10 Total new obligations	1	7	11
73.20 Total outlays (gross)	-1	-7	-11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	1
86.98 Outlays from mandatory balances		6	10
87.00 Total outlays (gross)	1	7	11
Net budget authority and outlays:			
89.00 Budget authority	46	1	1
90.00 Outlays	1	7	11

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

Identification code 36-0128-0-1-704	2000 actual	2001 est.	2002 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	2	3	3
1159 Total direct loan levels	2	3	3
Direct loan subsidy (in percent):			
1320 Subsidy rate	7.72	7.72	7.72
1329 Weighted average subsidy rate	7.72	7.72	7.72
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	93	13	20
2159 Total loan guarantee levels	93	13	20
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	48.25	48.25	48.25
2329 Weighted average subsidy rate	48.25	48.25	48.25
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	45		
2339 Total subsidy budget authority	45		
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays		6	10
2349 Total subsidy outlays		6	10
Administrative expense data:			
3510 Budget authority	1	1	1
3590 Outlays from new authority	1	1	1

All information from the Native American Veterans Housing Loan program and the Guaranteed Transitional Housing

Loans for Homeless Veterans program is consolidated in a single housing fund called the Miscellaneous Veterans Housing Loans Fund.

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

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

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

MISCELLANEOUS VETERANS HOUSING LOANS DIRECT LOAN
FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4130-0-3-704	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Direct loans	2	3	3
00.02 Interest on Treasury borrowing	1	1	1
10.00 Total new obligations	3	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New financing authority (gross)	3	3	4
23.90 Total budgetary resources available for obligation	4	4	4
23.95 Total new obligations	-3	-4	-4
24.40 Unobligated balance carried forward, end of year	1		
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	3	2	3
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	2	2	2
68.47 Portion applied to repay debt	-2	-1	-1
68.90 Spending authority from offsetting collections (total discretionary)		1	1
70.00 Total new financing authority (gross)	3	3	4
Change in unpaid obligations:			
73.10 Total new obligations	3	4	4
73.20 Total financing disbursements (gross)	-3	-4	-4
87.00 Total financing disbursements (gross)	3	4	4
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayment of principal	-1	-1	-1
88.40 Interest received on loans	-1	-1	-1
88.90 Total, offsetting collections (cash)	-2	-2	-2

Net financing authority and financing disbursements:				
89.00	Financing authority	1	1	2
90.00	Financing disbursements	1	2	2

Status of Direct Loans (in millions of dollars)

Identification code 36-4130-0-3-704	2000 actual	2001 est.	2002 est.	
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	2	3	3
1150	Total direct loan obligations	2	3	3
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	16	17	19
1231	Disbursements: Direct loan disbursements	2	3	3
1251	Repayments: Repayments and prepayments	-2	-1	-2
1262	Adjustments: Discount on loan asset sales to the public or discounted	1		
1290	Outstanding, end of year	17	19	20

Balance Sheet (in millions of dollars)

Identification code 36-4130-0-3-704	1999 actual	2000 actual	2001 est.	2002 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	1		
Investments in US securities:				
1106	Receivables, net	1		1
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	17	17	19
1402	Interest receivable		-1	
1499	Net present value of assets related to direct loans	17	16	19
1999	Total assets	18	17	19
LIABILITIES:				
Federal liabilities:				
2103	Federal liabilities debt		17	19
2104	Resources payable to Treasury	18		
2999	Total liabilities	18	17	19
4999	Total liabilities and net position	18	17	19

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

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

MISCELLANEOUS VETERANS HOUSING LOANS GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4258-0-3-704	2000 actual	2001 est.	2002 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		6
22.00	New financing authority (gross)	6	10
23.90	Total budgetary resources available for obligation	6	16
24.40	Unobligated balance carried forward, end of year	6	16
New financing authority (gross), detail:			
Discretionary:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	6	10
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal Sources: Payments from Program Account	-6	-10

88.90	Total, offsetting collections (cash)	-6	-10
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Net financing authority and financing disbursements:

89.00	Financing authority		
90.00	Financing disbursements	-6	-10

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4258-0-3-704	2000 actual	2001 est.	2002 est.
Position with respect to appropriations act limitation on commitments:			
2131	Guaranteed loan commitments exempt from limitation	13	20
2150	Total guaranteed loan commitments	13	20
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year		13
2231	Disbursements of new guaranteed loans	13	20
2251	Repayments and prepayments		-2
2290	Outstanding, end of year	13	31

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	13	31
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This account contains information on the Guaranteed Transitional Housing Loans for Homeless Veterans program.

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

MISCELLANEOUS VETERANS PROGRAMS LOAN FUND PROGRAM ACCOUNT

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, **[\$52,000]** \$72,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed **[\$2,726,000]** \$3,301,000.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$432,000]** \$274,000, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

EDUCATION LOAN FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$1,000, as authorized by 38 U.S.C. 3698, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$3,400.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$220,000]** \$64,000, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

Identification code 36-0140-0-1-702	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.09	Administrative expenses	1	1

Credit accounts—Continued

EDUCATION LOAN FUND PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0140-0-1-702	2000 actual	2001 est.	2002 est.
10.00 Total new obligations (object class 25.3)	1	1	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	1	
23.95 Total new obligations	-1	-1	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1	1	
Change in unpaid obligations:			
73.10 Total new obligations	1	1	
73.20 Total outlays (gross)	-1	-1	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	
Net budget authority and outlays:			
89.00 Budget authority	1	1	
90.00 Outlays	1	1	

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

Identification code 36-0140-0-1-702	2000 actual	2001 est.	2002 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels, vocational rehabilitation	2	3	3
1159 Total direct loan levels	2	3	3
Direct loan subsidy (in percent):			
1320 Voc. Rehab. Loan subsidy rate	2.23	1.88	2.18
1320 Education Loan subsidy rate	29.68	13.93	7.81
1329 Weighted average subsidy rate	2.23	1.88	2.18
Administrative expense data:			
3510 Budget authority	1	1	
3590 Outlays	1	1	

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

The Vocational Rehabilitation Loan Fund provides loans of up to \$866 (based on indexed Chapter 31 Subsistence allowance rate) to veterans enrolled in a program of vocational rehabilitation who are temporarily in need of additional funds to meet their expenses.

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

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

MISCELLANEOUS VETERANS PROGRAMS LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4259-0-3-702	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Direct loans	2	3	3
10.00 Total new obligations	2	3	3
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	4	6	6
22.60 Portion applied to repay debt	-2	-3	-3
23.90 Total budgetary resources available for obligation	2	3	3
23.95 Total new obligations	-2	-3	-3
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	2	3	3
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	3	3
70.00 Total new financing authority (gross)	4	6	6
Change in unpaid obligations:			
73.10 Total new obligations	2	3	3
73.20 Total financing disbursements (gross)	-2	-3	-3
87.00 Total financing disbursements (gross)	2	3	3
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40 Interest on loans	-2	-3	-3
88.90 Total, offsetting collections (cash)	-2	-3	-3
Net financing authority and financing disbursements:			
89.00 Financing authority	2	3	3
90.00 Financing disbursements			

Status of Direct Loans (in millions of dollars)

Identification code 36-4259-0-3-702	2000 actual	2001 est.	2002 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	2	3	3
1150 Total direct loan obligations	2	3	3
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	1	1
1231 Disbursements: Direct loan disbursements	2	3	3
1251 Repayments: Repayments and prepayments	-2	-3	-3
1290 Outstanding, end of year	1	1	1

Balance Sheet (in millions of dollars)

Identification code 36-4259-0-3-702	1999 actual	2000 actual	2001 est.	2002 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net	-1	-1	-1	-1
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	1	1	1	1
1499 Net present value of assets related to direct loans	1	1	1	1

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

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from

the Government resulting from direct loans obligated in 1992 and beyond. The amounts in the account are means of financing and are not included in the budget totals.

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 36-8133-0-7-702	2000 actual	2001 est.	2002 est.
Receipts:			
02.20 Deductions from military pay	2	1	1
02.40 Contributions	2	1	1
02.99 Total receipts and collections	4	2	2
Appropriations:			
05.00 Post-Vietnam era veterans education account	-4	-2	-2
05.99 Total appropriations	-4	-2	-2
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Payment to post-Vietnam era trainees	4	4	4
00.03 Participant disenrollments	9	11	9
10.00 Total new obligations	13	15	13

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	106	97	84
22.00 New budget authority (gross)	4	2	2
23.90 Total budgetary resources available for obligation	110	99	86
23.95 Total new obligations	-13	-15	-13
24.40 Unobligated balance carried forward, end of year	97	84	73

New budget authority (gross), detail:

Mandatory:			
60.27 Appropriation (trust fund, indefinite)	13	13	11
60.45 Portion precluded from obligation	-9	-11	-9
62.50 Appropriation (total mandatory)	4	2	2

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	2	1	1
72.99 Obligated balance, start of year	2	1	1
73.10 Total new obligations	13	15	13
73.20 Total outlays (gross)	-13	-15	-12
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	1	1	2
74.99 Obligated balance, end of year	1	1	2

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	4	2	2
86.98 Outlays from mandatory balances	9	13	10
87.00 Total outlays (gross)	13	15	12

Net budget authority and outlays:

89.00 Budget authority	4	2	2
90.00 Outlays	13	15	12

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

31, 1987. Public Law 106-419, enacted November 1, 2000, provides qualified participants in this program another opportunity (through October 31, 2001) to convert to the All-Volunteer Force Educational Assistance program (Montgomery GI Bill). The estimated activity in the fund follows:

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

[In millions of dollars]

	2000 actual	2001 est.	2002 est.
Total budget authority	\$4	\$2	\$2
Servicepersons	\$2	\$1	\$1
Transferred from Department of Defense (bonus)	\$0	\$1	\$1
Transferred from Department of Defense (matching)	\$1	\$1	\$0
Transferred from Department of Defense (section 901)	\$1	\$0	\$0
Total participants (end of year)	221,385	210,385	200,385
Total contributors (end of year)	2,382	1,600	700
Average contribution per contributor (actual dollars)	\$923	\$923	\$923
Number of disenrollments	10,646	12,600	10,700
Total refunds	\$9	\$11	\$9
Total trainees	2,522	1,680	1,180
Total trainee cost	\$4	\$4	\$4
Average cost per trainee (actual dollars)	\$1,506	\$2,476	\$2,966
Section 901 trainees	23	20	20

Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702	2000 actual	2001 est.	2002 est.
41.0 Grants, subsidies, and contributions	4	4	4
44.0 Refunds	9	11	9
99.9 Total new obligations	13	15	13

NATIONAL SERVICE LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8132-0-7-701	2000 actual	2001 est.	2002 est.
01.99 Balance, start of year	10,572	10,425	10,188
Receipts:			
02.20 Premium and other receipts	201	190	179
02.40 Interest	887	854	816
02.41 Payments from general and special funds	1	1	1
02.80 National Service Life Insurance fund, offsetting collections	497	481	454
02.99 Total receipts and collections	1,586	1,526	1,450
04.00 Total: Balances and collections	12,158	11,951	11,638
Appropriations:			
05.00 National Service Life Insurance fund	-1,733	-1,763	-1,768
05.99 Total appropriations	-1,733	-1,763	-1,768
07.99 Balance, end of year	10,425	10,188	9,870

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Direct:			
Operating expenses:			
00.01 Death claims	612	658	703
00.02 Disability claims	15	14	13
00.03 Matured endowments	7	6	8
00.04 Cash surrenders	27	30	32
00.05 Dividends	408	388	369
00.06 Interest paid on dividend credits and deposits	38	57	59
00.07 Payment to general operating expenses	21	22	22
00.91 Total operating expenses	1,128	1,175	1,206
02.01 Capital investment: Policy loans	108	107	107
02.93 Total direct obligations	1,236	1,282	1,313
Reimbursable program:			
09.01 Death claims	261	243	225
09.01 Disability claims	7	6	6
09.01 Matured endowments	3	3	4
09.01 Cash surrenders	13	14	15
09.01 Dividends	186	179	168
09.01 Interest paid on dividend credits and deposits	17	26	27

NATIONAL SERVICE LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8132-0-7-701	2000 actual	2001 est.	2002 est.
09.01 Payment to general operating expenses	10	10	10
09.09 Reimbursable program	497	481	455
10.00 Total new obligations	1,733	1,763	1,768
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,733	1,763	1,768
23.95 Total new obligations	-1,733	-1,763	-1,768
New budget authority (gross), detail:			
Mandatory:			
60.27 Appropriation (trust fund, indefinite)	1,090	1,046	996
69.00 Offsetting collections (cash)	497	481	454
69.26 From offsetting collections (unavailable balances)	146	236	318
69.90 Spending authority from offsetting collections (total mandatory)	643	717	772
70.00 Total new budget authority (gross)	1,733	1,763	1,768
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	1,390	1,385	1,377
72.99 Obligated balance, start of year	1,390	1,385	1,377
73.10 Total new obligations	1,733	1,763	1,768
73.20 Total outlays (gross)	-1,738	-1,771	-1,776
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	1,385	1,377	1,369
74.99 Obligated balance, end of year	1,385	1,377	1,369
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,587	1,527	1,450
86.98 Outlays from mandatory balances	151	244	326
87.00 Total outlays (gross)	1,738	1,771	1,776
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments of loans	-123	-119	-117
88.40 Optional settlements	-3	-2	-2
88.40 Net income offsets adjustments	-371	-360	-335
88.90 Total, offsetting collections (cash)	-497	-481	-454
Net budget authority and outlays:			
89.00 Budget authority	1,236	1,282	1,314
90.00 Outlays	1,242	1,290	1,322
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	11,954	11,804	11,561
92.02 Total investments, end of year: Federal securities: Par value	11,804	11,561	11,234

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 have been issued under this program. Activity of the fund reflects a rising claim workload. The trend in the number and amount of policies in force is shown as follows:

POLICIES AND INSURANCE IN FORCE

	2000 actual	2001 est.	2002 est.
Number of policies	1,715,536	1,609,680	1,503,100
Insurance in force (dollars in millions)	17,013	16,269	15,502

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

made to the fund from the Veterans insurance and indemnities appropriation.

Assets of the fund, which are largely invested in special interest-bearing Treasury securities and in policy loans, are expected to decrease from \$12,507 million as of September 30, 2001 to \$12,209 million as of September 30, 2002. The actuarial estimate of policy obligations as of September 30, 2002, total \$11,193 million, leaving a balance of \$296 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	2000 actual	2001 est.	2002 est.
Unexpended balance, start of year:			
0100 Uninvested balance [unavailable collections]	9	6	4
0101 U.S. Securities: Par value	11,954	11,804	11,561
0199 Total balance, start of year	11,962	11,810	11,565
Cash income during the year:			
Current law:			
Offsetting receipts (proprietary):			
1220 NSLI fund, premium and other receipts	201	190	179
Offsetting receipts (intragovernmental):			
1240 NSLI fund, interest	887	854	816
1241 NSLI fund, payments from general and special funds	1	1	1
Offsetting collections:			
1280 NSLI fund, offsetting collections	497	481	454
1299 Income under present law	1,586	1,526	1,450
Cash outgo during year:			
Current law:			
4500 National service life insurance fund	-1,738	-1,771	-1,776
Unexpended balance, end of year:			
8700 Uninvested balance	6	4	5
8701 Federal securities: Par value	11,804	11,561	11,234
8799 Total balance, end of year	11,810	11,565	11,239

Object Classification (in millions of dollars)

Identification code 36-8132-0-7-701	2000 actual	2001 est.	2002 est.
Direct obligations:			
33.0 Investments and loans	108	107	107
42.0 Insurance claims and indemnities	661	708	756
43.0 Interest and dividends	467	467	450
99.0 Subtotal, direct obligations	1,236	1,282	1,313
99.0 Reimbursable obligations	497	481	455
99.9 Total new obligations	1,733	1,763	1,768

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8150-0-7-701	2000 actual	2001 est.	2002 est.
01.99 Balance, start of year	61	55	50
Receipts:			
02.40 Interest and profits on investments in public debt securities	5	5	4
02.80 United States government life insurance fund, offsetting collections	1	1	1
02.99 Total receipts and collections	6	6	5
04.00 Total: Balances and collections	67	61	55
Appropriations:			
05.00 United States government life insurance fund	-12	-11	-11
05.99 Total appropriations	-12	-11	-11
07.99 Balance, end of year	55	50	44

Program and Financing (in millions of dollars)

Identification code 36-8150-0-7-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Operating expenses:			
00.01 Death claims	2	2	2
00.05 Dividends	1	1	1
00.06 Interest paid on dividend credits and deposits	1	1	1
00.07 Other costs	1	1	1
09.01 Death Claims	4	4	4
09.02 Dividends	3	2	3
09.09 Reimbursable program	7	6	7
10.00 Total new obligations	12	11	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	12	11	11
23.95 Total new obligations	-12	-11	-11
New budget authority (gross), detail:			
Mandatory:			
60.27 Appropriation (trust fund, indefinite)	5	5	4
69.00 Offsetting collections (cash)	1	1	1
69.26 From offsetting collections (unavailable balances)	6	5	6
69.90 Spending authority from offsetting collections (total mandatory)	7	6	7
70.00 Total new budget authority (gross)	12	11	11
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	19	19	18
72.99 Obligated balance, start of year	19	19	18
73.10 Total new obligations	12	11	11
73.20 Total outlays (gross)	-12	-12	-12
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	19	18	17
74.99 Obligated balance, end of year	19	18	17
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	6	6	5
86.98 Outlays from mandatory balances	6	6	7
87.00 Total outlays (gross)	12	12	12
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Repayments of loans	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	11	10	10
90.00 Outlays	11	11	11
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	80	73	68
92.02 Total investments, end of year: Federal securities:			
Par value	73	68	62

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

	2000 actual	2001 est.	2002 est.
Number of policies	16,280	14,600	12,970
Insurance in force (dollars in millions)	53	48	42

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 \$72 million as of September 30, 2001, to \$65 million as of September 30, 2002, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2002, totals \$63 million, leaving a balance of \$2 million for contingency reserves.

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

Status of Funds (in millions of dollars)

Identification code 36-8150-0-7-701	2000 actual	2001 est.	2002 est.
Unexpended balance, start of year:			
0101 U.S. Securities: Par value	80	73	68
0199 Total balance, start of year	80	74	68
Cash income during the year:			
Current law:			
Offsetting receipts (intragovernmental):			
1240 Interest and profits on investments in public debt securities, USGLI, VA	5	5	4
Offsetting collections:			
1280 Offsetting collections, USGLI	1	1	1
1299 Income under present law	6	6	5
Cash outgo during year:			
Current law:			
4500 United States government life insurance fund	-12	-12	-12
Unexpended balance, end of year:			
8701 Federal securities: Par value	73	68	62
8799 Total balance, end of year	74	68	61

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	2000 actual	2001 est.	2002 est.
Direct obligations:			
42.0 Insurance claims and indemnities	3	3	2
43.0 Interest and dividends	2	2	2
99.0 Subtotal, direct obligations	5	5	4
99.0 Reimbursable obligations	7	6	7
99.9 Total new obligations	12	11	11

VETERANS SPECIAL LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8455-0-8-701	2000 actual	2001 est.	2002 est.
01.99 Balance, start of year	1,439	1,462	1,481
Receipts:			
02.80 Veterans special life insurance fund, offsetting collections	235	232	228
04.00 Total: Balances and collections	1,674	1,694	1,709
Appropriations:			
05.00 Veterans special life insurance fund	-212	-213	-214
05.99 Total appropriations	-212	-213	-214
07.99 Balance, end of year	1,462	1,481	1,495

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01 Death claims	53	58	58
09.01 Cash surrenders	5	5	5
09.01 Dividends	96	94	94
09.01 All other	33	31	32
09.01 Payment to general operating expenses account	5	5	5
09.02 Capital investment	20	20	20
10.00 Total new obligations	212	213	214
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	212	213	214

VETERANS SPECIAL LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8455-0-8-701	2000 actual	2001 est.	2002 est.
23.95 Total new obligations	-212	-213	-214
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	235	232	228
69.26 From offsetting collections (unavailable balances)	-23	-19	-14
69.90 Spending authority from offsetting collections (total mandatory)	212	213	214
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	229	249	264
72.99 Obligated balance, start of year	229	249	264
73.10 Total new obligations	212	213	214
73.20 Total outlays (gross)	-192	-198	-197
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	249	264	281
74.99 Obligated balance, end of year	249	264	281
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	17	19	14
86.98 Outlays from mandatory balances	175	180	183
87.00 Total outlays (gross)	192	198	197
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Interest on loans	-5	-6	-6
88.40 Insurance premiums earned	-68	-66	-64
88.40 Optional settlements	-1	-1	-1
88.40 Repayments of loans	-17	-17	-17
88.45 Offsetting governmental collections from the public	-145	-142	-141
88.90 Total, offsetting collections (cash)	-235	-232	-228
Net budget authority and outlays:			
89.00 Budget authority	-23	-19	-14
90.00 Outlays	-43	-34	-31
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	1,666	1,709	1,743
92.02 Total investments, end of year: Federal securities:			
Par value	1,709	1,743	1,777

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

	2000 actual	2001 est.	2002 est.
Number of policies	242,608	237,160	231,670
Insurance in force (dollars in millions)	2,669	2,635	2,595

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	2000 actual	2001 est.	2002 est.
33.0 Investments and loans	20	20	20
42.0 Insurance claims and indemnities	76	78	79
43.0 Interest and dividends	116	115	115
99.9 Total new obligations	212	213	214

CONSTRUCTION

Federal Funds

General and special funds:

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$4,000,000 or more or where funds for a project were made available in a previous major project appropriation, **[\$66,040,000] \$183,180,000**, to remain available until expended, of which \$60,000,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which not to exceed \$20,000,000 shall be for costs associated with land acquisitions for national cemeteries in the vicinity of Sacramento, California, Pittsburgh, Pennsylvania, and Detroit, Michigan: Provided, That except for advance planning [of projects] activities (including market-based and other assessments of [health care] needs which may [or may not] lead to capital investments) funded through the advance planning fund, [and the] design of projects funded through the design fund, and planning and design activities funded through the CARES fund (including market-based and other assessments of needs which may lead to capital investments), none of these funds shall be used for any project which has not been [considered and] approved by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year [2001] 2002, for each approved project (except those for CARES activities and the three land acquisitions referenced above) shall be obligated: (1) by the awarding of a construction documents contract by September 30, [2001] 2002; and (2) by the awarding of a construction contract by September 30, [2002] 2003: Provided further, That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: Provided further, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Replacement and modernization	38	15	23
00.02 Clinical Improvements	34	1	1
00.06 Other improvements	121	135	98
00.07 National cemeteries	19	9	65
00.08 Replacement or renovation of regional offices	1	1	1
10.00 Total new obligations	213	161	188
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	565	417	322
22.00 New budget authority (gross)	65	66	183
23.90 Total budgetary resources available for obligation	630	483	505
23.95 Total new obligations	-213	-161	-188
24.40 Unobligated balance carried forward, end of year	417	322	317
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	65	66	183
43.00 Appropriation (total discretionary)	65	66	183
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	258	299	318
72.99 Obligated balance, start of year	258	299	318
73.10 Total new obligations	213	161	188
73.20 Total outlays (gross)	-172	-142	-107
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	299	318	399
74.99 Obligated balance, end of year	299	318	399
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	3	8
86.93 Outlays from discretionary balances	169	138	99
87.00 Total outlays (gross)	172	142	107
Net budget authority and outlays:			
89.00 Budget authority	65	66	183
90.00 Outlays	172	142	107

Funds are requested for: an emergency electrical project at Miami, Florida; activities related to CARES; a new cemetery at Atlanta, Georgia; cemetery expansion projects at Massachusetts National Cemetery and Tahoma, Washington; and land acquisition for new cemeteries in the vicinity of Sacramento, California; Pittsburgh, Pennsylvania; and Detroit, Michigan.

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

Department of Veterans Affairs

Budget Authority by Program Activity

(In millions of dollars)

	2000 actual	2001 est.	2002 est.
Clinical improvements	31		
General			78
Patient environment	18	1	
Other departments	24	68	105
Design fund offset	(1)	(1)	
Less rescission			
Reprogramming	(7)	(2)	
Total budget authority	65	66	

Object Classification (in millions of dollars)

Identification code 36-0110-0-1-703	2000 actual	2001 est.	2002 est.
11.3 Personnel compensation: Other than full-time permanent	2	2	2
25.2 Other services	45	40	45

26.0 Supplies and materials	2	3	3
31.0 Equipment	2	2	3
32.0 Land and structures	162	114	135
99.9 Total new obligations	213	161	188

Personnel Summary

Identification code 36-0110-0-1-703	2000 actual	2001 est.	2002 est.
1001 Total compensable workyears: Full-time equivalent employment	21	50	50

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning 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 less than \$4,000,000, [\$162,000,000] \$178,900,000, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than \$4,000,000, of which \$25,000,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities: Provided, That from amounts appropriated under this heading, additional amounts may be used for CARES activities: Provided further, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

[For an additional amount for "Construction, minor projects", \$8,840,000, to remain available until expended.] (Division A, Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of P.L. 106-554.)

Program and Financing (in millions of dollars)

Identification code 36-0111-0-1-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Medical programs	128	136	154
00.06 National cemeteries	11	28	20
00.07 Staff Offices	4	7	8
00.08 Replacement or renovation of regional offices	4	10	11
10.00 Total new obligations	147	181	193
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	44	56	41
22.00 New budget authority (gross)	160	166	179
23.90 Total budgetary resources available for obligation	204	222	220
23.95 Total new obligations	-147	-181	-193
24.40 Unobligated balance carried forward, end of year	56	41	27
New budget authority (gross), detail:			
Discretionary:			
Appropriation:			
40.00 Appropriation	160	162	179
40.00 Appropriation (omnibus legislation)		9	
41.00 Transferred to other accounts		-5	
43.00 Appropriation (total discretionary)	160	166	179
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	231	215	231
72.99 Obligated balance, start of year	231	215	231
73.10 Total new obligations	147	181	193

General and special funds—Continued

CONSTRUCTION, MINOR PROJECTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0111-0-1-703	2000 actual	2001 est.	2002 est.
73.20 Total outlays (gross)	-164	-167	-168
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	215	231	256
74.99 Obligated balance, end of year	215	231	256
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	42	43	47
86.93 Outlays from discretionary balances	121	124	122
87.00 Total outlays (gross)	164	167	168
Net budget authority and outlays:			
89.00 Budget authority	160	166	179
90.00 Outlays	164	167	168

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

Object Classification (in millions of dollars)

Identification code 36-0111-0-1-703	2000 actual	2001 est.	2002 est.
11.3 Personnel compensation: Other than full-time permanent	2	2	2
25.2 Other services	15	16	18
26.0 Supplies and materials	2	2	2
32.0 Land and structures	128	161	171
99.9 Total new obligations	147	181	193

Personnel Summary

Identification code 36-0111-0-1-703	2000 actual	2001 est.	2002 est.
1001 Total compensable workyears: Full-time equivalent employment	50	80	80

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131-8137, **[\$100,000,000]** \$50,000,000, to remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Grants to States	16	203	74
10.00 Total new obligations (object class 41.0)	16	203	74
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	53	127	24
22.00 New budget authority (gross)	90	100	50
23.90 Total budgetary resources available for obligation	143	227	74
23.95 Total new obligations	-16	-203	-74
24.40 Unobligated balance carried forward, end of year	127	24	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	90	100	50

43.00 Appropriation (total discretionary)	90	100	50
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	150	62	181
72.99 Obligated balance, start of year	150	62	181
73.10 Total new obligations	16	203	74
73.20 Total outlays (gross)	-104	-85	-91
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	62	181	163
74.99 Obligated balance, end of year	62	181	163
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	104	85	91
Net budget authority and outlays:			
89.00 Budget authority	90	100	50
90.00 Outlays	104	85	91

In 2001, the Department plans to obligate \$203 million to acquire or construct State home facilities for furnishing domiciliary or nursing home care to veterans and expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veterans cemeteries as authorized by 38 U.S.C. 2408, \$25,000,000, to remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Grants to States	19	41	25
10.00 Total new obligations (object class 41.0)	19	41	25
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	16	
22.00 New budget authority (gross)	25	25	25
23.90 Total budgetary resources available for obligation	34	41	25
23.95 Total new obligations	-19	-41	-25
24.40 Unobligated balance carried forward, end of year	16		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	25	25	25
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	15	22	45
72.99 Obligated balance, start of year	15	22	45
73.10 Total new obligations	19	41	25
73.20 Total outlays (gross)	-12	-17	-21
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	22	45	49
74.99 Obligated balance, end of year	22	45	49
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3		
86.93 Outlays from discretionary balances	9	16	21
87.00 Total outlays (gross)	12	17	21
Net budget authority and outlays:			
89.00 Budget authority	25	25	25
90.00 Outlays	12	17	21

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

Public enterprise funds:

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, and \$4,000,000 from the General Fund, both to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care". (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

Identification code 36-4538-0-3-703	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.01 Operating expenses: parking leases	2	2	3
09.01 Capital Investment: parking construction program	3	6	8
10.00 Total new obligations	5	8	11
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	12	14
22.00 New budget authority (gross)	3	10	7
23.90 Total budgetary resources available for obligation	17	22	21
23.95 Total new obligations	-5	-8	-11
24.40 Unobligated balance carried forward, end of year	12	14	10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			4
42.00 Transferred from other accounts		7	
43.00 Appropriation (total discretionary)		7	4
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	3	3
70.00 Total new budget authority (gross)	3	10	7
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	16	3	4
72.99 Obligated balance, start of year	16	3	4
73.10 Total new obligations	5	8	11
73.20 Total outlays (gross)	-18	-7	-7
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	3	4	8
74.99 Obligated balance, end of year	3	4	8
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	3	3
86.93 Outlays from discretionary balances	15	4	4
87.00 Total outlays (gross)	18	7	7
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-3	-3	-3
Net budget authority and outlays:			
89.00 Budget authority		7	4
90.00 Outlays	15	4	4

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

Object Classification (in millions of dollars)

Identification code 36-4538-0-3-703	2000 actual	2001 est.	2002 est.
23.2 Direct obligations: Rental payments to others	2	2	2
32.0 Reimbursable obligations: Land and structures	3	6	9
99.9 Total new obligations	5	8	11

PERSHING HALL REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4018-0-3-705	2000 actual	2001 est.	2002 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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

To facilitate account restructuring and consolidation, the Pershing Hall Revolving Fund also reflects budget information for the Nursing Home Revolving Fund. The Nursing Home Revolving Fund provides for the construction, alteration, and acquisition (including site acquisition) of nursing home facilities and is available only as provided in appropriations acts.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed \$25,000 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, **[\$1,050,000,000] \$1,194,831,000: Provided,** That expenses for services and assistance authorized under 38 U.S.C. 3104(a)(1), (2), (5) and (11) that the Secretary determines are necessary to enable entitled veterans (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: *Provided further,* That of the funds made available under this heading, not to exceed **[\$45,000,000] \$60,000,000** shall be available until September 30, **[2002: Provided further,** That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act] **2003: Provided further,** *That of the funds made available under this heading, the Veterans Benefits Administration may purchase up to four passenger motor vehicles for use in their Manila, Philippines operation. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)*

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
Direct program:			
Veterans benefits:			
00.04 Compensation and pensions	553	639	733
00.05 Education	65	68	91
00.06 Vocational rehabilitation and counseling	80	117	128
00.09 Insurance ¹	3	3	4
00.11 General administration	235	258	239
01.00 Total Direct Program	936	1,085	1,195
Reimbursable program:			
09.01 Administration of housing credit programs	157	162	164
09.02 Administration of other credit programs	1	1	1
09.03 Administration of insurance programs	37	39	39
09.04 Other reimbursable programs	94	175	191
09.99 Total reimbursable program	289	377	395

GENERAL OPERATING EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0151-0-1-705	2000 actual	2001 est.	2002 est.
10.00 Total new obligations	1,225	1,462	1,590
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		4	
22.00 New budget authority (gross)	1,230	1,457	1,590
23.90 Total budgetary resources available for obligation	1,230	1,461	1,590
23.95 Total new obligations	-1,225	-1,462	-1,590
24.40 Unobligated balance carried forward, end of year	4		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	913	1,050	1,195
40.77 Reduction pursuant to P.L. 106-554 (0.22 percent)		-2	
42.00 Transferred from other accounts	28	32	
43.00 Appropriation (total discretionary)	941	1,080	1,195
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	289	377	395
68.90 Spending authority from offsetting collections (total discretionary)	289	377	395
70.00 Total new budget authority (gross)	1,230	1,457	1,590
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	142	190	108
72.99 Obligated balance, start of year	142	190	108
73.10 Total new obligations	1,225	1,462	1,590
73.20 Total outlays (gross)	-1,170	-1,543	-1,578
73.40 Adjustments in expired accounts (net)	-8		
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	190	108	119
74.99 Obligated balance, end of year	190	108	119
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,036	1,349	1,471
86.93 Outlays from discretionary balances	134	194	108
87.00 Total outlays (gross)	1,170	1,543	1,578
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-289	-377	-395
Net budget authority and outlays:			
89.00 Budget authority	941	1,080	1,195
90.00 Outlays	881	1,166	1,183

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

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

Veterans benefits.—Determines eligibility and adjudicates all claims for compensation, pensions, educational assistance, housing loan assistance, and insurance awards. A summary of VBA's program objectives and anticipated workload is included in the following paragraphs. Workload data for this program is shown below. Specific performance goals relating to the processing of veterans benefits are contained in VA's annual performance plan.

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

WORKLOAD

(Claims completed in thousands)

	2000 actual	2001 est.	2002 est.
Compensation:			
Rating-Related Actions ¹	500	485	471
Non Rating Actions ²	203	199	195
Pension:			
Rating-Related Actions ¹	101	98	95
Non Rating Actions ²	575	564	552

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

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

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

WORKLOAD

(In thousands)

	2000 actual	2001 est.	2002 est.
Education:			
Original claims	128	199	241
Adjustments/supplemental claims	810	1,015	1,225

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

WORKLOAD

(In thousands)

	2000 actual	2001 est.	2002 est.
Loan guaranty:			
Construction and valuation (number of reviews)	286	280	275
Loan processing (number of loans)	608	668	660
Loan service and claims (number of loans and claims)	260	265	270
Property management (number of properties)	61	60	58

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

WORKLOAD

(In thousands)

	2000 actual	2001 est.	2002 est.
Vocational rehabilitation and employment:			
Evaluation and planning	57	58	59
Rehabilitation services	64	66	67
Employment services status	16	16	16
Vocational/educational counseling	10	10	10

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

WORKLOAD

(In thousands)

	2000 actual	2001 est.	2002 est.
Insurance:			
Policy service actions	1,043	1,011	979
Collections	2,905	2,769	2,648
Disability claims	11	12	11
Insurance awards	1,168	912	461

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

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-705	2000 actual	2001 est.	2002 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	538	574	663
11.5 Other personnel compensation	15	12	13
11.9 Total personnel compensation	553	586	676
12.1 Civilian personnel benefits	121	129	153
13.0 Benefits for former personnel	4	3	2
Travel and transportation of persons:			
21.0 Employee travel	12	12	12
21.0 Interagency motor pool payments	2	2	2
22.0 Transportation of things	1	2	2
23.1 Rental payments to GSA	73	78	90
23.2 Rental payments to others	6	7	9
23.3 Communications, utilities, and miscellaneous charges	56	74	42
24.0 Printing and reproduction	3	2	3
25.2 Other services	82	138	165
26.0 Supplies and materials	12	13	9
31.0 Equipment	11	39	30
99.0 Subtotal, direct obligations	936	1,085	1,195
99.0 Reimbursable obligations	289	377	395
99.9 Total new obligations	1,225	1,462	1,590

Personnel Summary

Identification code 36-0151-0-1-705	2000 actual	2001 est.	2002 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment ¹	10,677	11,583	12,245
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	3,138	2,975	3,242

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

OFFICE OF INSPECTOR GENERAL

[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, **[\$46,464,000: Provided, That of the amount made available under this heading, not to exceed \$28,000 may be transferred to and merged with the appropriation for "General operating expenses"] \$48,308,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)**

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.10 Direct program	43	46	48
09.00 Reimbursable program	2	3	3
10.00 Total new obligations	45	49	51
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	45	49	51
23.95 Total new obligations	-45	-49	-51
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	43	46	48
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	3	3
70.00 Total new budget authority (gross)	45	49	51
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	8	11	7
72.99 Obligated balance, start of year	8	11	7
73.10 Total new obligations	45	49	51
73.20 Total outlays (gross)	-41	-53	-51

73.40 Adjustments in expired accounts (net)	-1		
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	11	7	7
74.99 Obligated balance, end of year	11	7	7

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	38	47	49
86.93 Outlays from discretionary balances	5	6	2
87.00 Total outlays (gross)	41	53	51

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-3	-3

Net budget authority and outlays:

89.00 Budget authority	43	46	48
90.00 Outlays	39	50	48

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

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	2000 actual	2001 est.	2002 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	25	29	31
12.1 Civilian personnel benefits	6	6	7
21.0 Travel and transportation of persons	2	2	3
23.1 Rental payments to GSA	2	2	2
25.2 Other services	8	7	5
99.0 Subtotal, direct obligations	43	46	48
99.0 Reimbursable obligations	2	3	3
99.9 Total new obligations	45	49	51

Personnel Summary

Identification code 36-0170-0-1-705	2000 actual	2001 est.	2002 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	335	369	366
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	19	24	24

NATIONAL CEMETERY ADMINISTRATION

[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses **[for the maintenance and operation of the National Cemetery Administration] 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 [two] one passenger motor [vehicles] vehicle for use in cemeterial operations; and hire of passenger motor vehicles, [\$109,889,000: Provided, That travel expenses shall not exceed \$1,125,000: Provided further, That of the amount made available under this heading, not to exceed \$125,000 may be transferred to and merged with the appropriation for "General operating expenses"] \$121,169,000. (Departments of Veterans Affairs and Housing and**

NATIONAL CEMETERY ADMINISTRATION—Continued

[(INCLUDING TRANSFER OF FUNDS)]—Continued

Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
00.10 Direct obligations	97	110	121
10.00 Total new obligations	97	110	121
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	97	110	121
23.95 Total new obligations	-97	-110	-121
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	97	110	121
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	15	16	17
72.99 Obligated balance, start of year	15	16	17
73.10 Total new obligations	97	110	121
73.20 Total outlays (gross)	-95	-109	-120
73.40 Adjustments in expired accounts (net)	-1		
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	16	17	18
74.99 Obligated balance, end of year	16	17	18
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	83	99	109
86.93 Outlays from discretionary balances	12	10	11
87.00 Total outlays (gross)	95	109	120
Net budget authority and outlays:			
89.00 Budget authority	97	110	121
90.00 Outlays	95	109	120

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

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

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

Object Classification (in millions of dollars)

Identification code 36-0129-0-1-705	2000 actual	2001 est.	2002 est.
Personnel compensation:			
11.1 Full-time permanent	44	48	50
11.3 Other than full-time permanent	8	9	9
11.9 Total personnel compensation	52	57	59
12.1 Civilian personnel benefits	14	16	17
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	4	4	5
25.2 Other services	13	19	25
26.0 Supplies and materials	7	7	7
31.0 Equipment	5	5	6
99.9 Total new obligations	97	110	121

Personnel Summary

Identification code 36-0129-0-1-705	2000 actual	2001 est.	2002 est.
1001 Total compensable workyears: Full-time equivalent employment	1,399	1,466	1,499

Intragovernmental funds:

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01 Reimbursable program-COGS-Merchandizing	586	721	777
09.02 Reimbursable program-Other-Operations	38	47	50
09.03 Reimbursable program-COGS-Printing and Publications	6	7	8
09.04 Reimbursable program-Other	2	2	2
09.05 Reimbursable program-Equipment-Procurement Services and Distribution	3	3	3
10.00 Total new obligations	635	780	840
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	152	188	188
22.00 New budget authority (gross)	671	780	840
23.90 Total budgetary resources available for obligation	823	968	1,028
23.95 Total new obligations	-635	-780	-840
24.40 Unobligated balance carried forward, end of year	188	188	188
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	647	780	840
69.10 Change in uncollected customer payments from Federal sources	24		
69.90 Spending authority from offsetting collections (total mandatory)	671	780	840
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Unpaid obligations, start of year	271	350	350
72.95 Uncollected customer payments from Federal sources, start of year	-294	-318	-318
72.99 Obligated balance, start of year	-23	32	32
73.10 Total new obligations	635	780	840
73.20 Total outlays (gross)	-555	-780	-840
74.00 Change in uncollected customer payments from Federal sources	-24		
Unpaid obligations, end of year:			
74.40 Unpaid obligations, end of year	350	350	350
74.95 Uncollected customer payments from Federal sources, end of year	-318	-318	-318
74.99 Obligated balance, end of year	32	32	32
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	555	780	840

Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	- 647	- 780 - 840
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources	- 24	
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	- 92	

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 2002, Supply Fund sales are estimated to reach \$715 million. Average inventory needed to support those sales will be \$25 million.

Operating results.—The Fund operated at a loss of \$3 million in 2000. The new total of retained earnings is \$59 million. Operating expense as related to sales was 8 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	2000 actual	2001 est.	2002 est.
Personnel compensation:			
11.1	Full-time permanent	21	24 27
11.5	Other personnel compensation	1	1 1
11.9	Total personnel compensation	22	25 28
12.1	Civilian personnel benefits	4	5 6
21.0	Travel and transportation of persons	2	3 4
23.1	Rental payments to GSA	1	1 1
23.3	Communications, utilities, and miscellaneous charges	2	3 3
24.0	Printing and reproduction	6	7 8
25.1	Advisory and assistance services	135	167 179
26.0	Supplies and materials	279	343 367
31.0	Equipment	184	226 244
99.9	Total new obligations	635	780 840

Personnel Summary

Identification code 36-4537-0-4-705	2000 actual	2001 est.	2002 est.
2001	Total compensable workyears: Full-time equivalent employment	358	378 382

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	2000 actual	2001 est.	2002 est.
Obligations by program activity:			
09.01	Reimbursable program	159	120 155
10.00	Total new obligations	159	120 155
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	18	6 6
22.00	New budget authority (gross)	147	120 158
23.90	Total budgetary resources available for obligation	165	126 164

23.95	Total new obligations	- 159	- 120 - 155
24.40	Unobligated balance carried forward, end of year	6	6 9

New budget authority (gross), detail:

Mandatory:			
69.00	Offsetting collections (cash)	147	120 158

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40	Unpaid obligations, start of year	16	39 41
72.99	Obligated balance, start of year	16	39 41
73.10	Total new obligations	159	120 155
73.20	Total outlays (gross)	- 134	- 120 - 158
Unpaid obligations, end of year:			
74.40	Unpaid obligations, end of year	39	41 39
74.99	Obligated balance, end of year	39	41 39

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	134	120 158
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Offsets:

Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	- 147	- 120 - 158

Net budget authority and outlays:

89.00	Budget authority		
90.00	Outlays	- 11	

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. This budget extends through September 30, 2002, the authority under that Act for franchise fund pilots in agencies including VA. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Operating Expenses appropriation. VA's Franchise Fund is a revolving fund used to supply common administrative services on the basis of services supplied. Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$156 million and employ 705 people, who were transferred from their parent organizations.

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

Object Classification (in millions of dollars)

Identification code 36-4539-0-4-705	2000 actual	2001 est.	2002 est.
11.1	Personnel compensation: Full-time permanent	34	33 39
12.1	Civilian personnel benefits	7	13 8
21.0	Travel and transportation of persons	1	1 1
23.1	Rental payments to GSA	3	4 4
23.3	Communications, utilities, and miscellaneous charges	21	24 25
24.0	Printing and reproduction	1	1 1
25.2	Other services	76	42 74
26.0	Supplies and materials	2	1 2
31.0	Equipment	14	1 1
99.9	Total new obligations	159	120 155

Personnel Summary

Identification code 36-4539-0-4-705	2000 actual	2001 est.	2002 est.
2001	Total compensable workyears: Full-time equivalent employment	643	679 705

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2000 actual	2001 est.	2002 est.
Offsetting receipts from the public:			
36-243100	Fees and other charges for medical services	1	1 1

(in millions of dollars)—Continued

	2000 actual	2001 est.	2002 est.
36-247300 Contributions from military personnel, Veteran's Educational Assistance Act of 1984	99	296	211
36-273330 GIF direct loans, Downward reestimates of subsidies	1,064	1,420
General Fund Offsetting receipts from the public	1,164	1,717	212

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

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

SEC. 【102】 101. Appropriations available to the Department of Veterans Affairs for fiscal year 【2001】 2002 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 【103】 102. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects", and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 【104】 103. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901-7904 or 42 U.S.C. 5141-5204), unless reimbursement of cost is made to the "Medical care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 【105】 104. Appropriations available to the Department of Veterans Affairs for fiscal year 【2001】 2002 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 【2000】 2001.

SEC. 【106】 105. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 【2001】 2002 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 【107】 106. Notwithstanding any other provision of law, during fiscal year 【2001】 2002, 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 【2001】 2002, 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 【2001】 2002, 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. 107. *Beginning in fiscal year 2002 and thereafter, funds available in any Department of Veterans Affairs appropriation or fund for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for all services provided at rates which will recover actual costs. Payments may be made in advance for services to be furnished, based on estimated costs. Amounts received shall be credited to the General Operating Expenses account for use by the office that provided the service. Total resources available to these offices for fiscal year 2002 shall not exceed \$28,550,000 for the Office of Resolution Management and \$2,383,000*

for the Office of Employment and Discrimination Complaint Adjudication.

【SEC. 108. Notwithstanding any other provision of law, collections authorized by the Veterans Millennium Health Care and Benefits Act (Public Law 106-117) and credited to the appropriate Department of Veterans Affairs accounts in fiscal year 2001, shall not be available for obligation or expenditure unless appropriation language making such funds available is enacted.】

【SEC. 109. In accordance with section 1557 of title 31, United States Code, the following obligated balance shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure until September 30, 2003: funds obligated by the Department of Veterans Affairs for a contract with the Institute for Clinical Research to study the application of artificial neural networks to the diagnosis and treatment of prostate cancer through the Cooperative DoD/VA Medical Research program from funds made available to the Department of Veterans Affairs by the Department of Defense Appropriations Act, 1995 (Public Law 103-335) under the heading "Research, Development, Test and Evaluation, Defense-Wide".】

【SEC. 110. As HR LINK\$ will not be part of the Franchise Fund in fiscal year 2001, funds budgeted in customer accounts to purchase HR LINK\$ services from the Franchise Fund shall be transferred to the General Administration portion of the "General operating expenses" appropriation in the following amounts: \$78,000 from the "Office of Inspector General", \$358,000 from the "National cemetery administration", \$1,106,000 from "Medical care", \$84,000 from "Medical administration and miscellaneous operating expenses", and \$38,000 shall be reprogrammed within the "General operating expenses" appropriation from the Veterans Benefits Administration to General Administration for the same purpose.】

【SEC. 111. Not to exceed \$1,600,000 from the "Medical care" appropriation shall be transferred to the "General operating expenses" appropriation to fund personnel services costs of employees providing legal services and administrative support for the Office of General Counsel.】

【SEC. 112. Not to exceed \$1,200,000 may be transferred from the "Medical care" appropriation to the "General operating expenses" appropriation to fund contracts and services in support of the Veterans Benefits Administration's Benefits Delivery Center, Systems Development Center, and Finance Center, located at the Department of Veterans Affairs Medical Center, Hines, Illinois.】

【SEC. 113. Not to exceed \$4,500,000 from the "Construction, minor projects" appropriation and not to exceed \$2,000,000 from the "Medical care" appropriation may be transferred to and merged with the Parking Revolving Fund for surface parking lot projects.】

【SEC. 114. Notwithstanding any other provision of this Act, none of the funds appropriated or otherwise made available in this Act for "Medical care" appropriations of the Department of Veterans Affairs may be obligated for the realignment of the health care delivery system in Veterans Integrated Service Network 12 (VISN 12) until 60 days after the Secretary of Veterans Affairs certifies that the Department has: (1) consulted with veterans organizations, medical school affiliates, employee representatives, State veterans and health associations, and other interested parties with respect to the realignment plan to be implemented; and (2) made available to the Congress and the public information from the consultations regarding possible impacts on the accessibility of veterans health care services to affected veterans.】 (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

TITLE IV—GENERAL PROVISIONS

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

Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further*, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended

by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency: (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder; and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning: (A) the contract pursuant to which the report was prepared; and (B) the contractor who prepared the report pursuant to such contract.

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

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

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

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

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

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

SEC. 417. Such sums as may be necessary for fiscal year [2001] 2002 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

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

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for [2001] 2002 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

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

SEC. [421] 420. Notwithstanding any other provision of law, the term “qualified student loan” with respect to national service education awards shall mean any loan [made directly to a student by the Alaska Commission on Postsecondary Education,] determined by an institution of higher education to be necessary to cover a student’s cost of attendance at such institution and made directly to a student

by a state agency, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

SEC. [422] 421. Unless otherwise provided for in this Act, no part of any appropriation for the Department of Housing and Urban Development shall be available for any activity in excess of amounts set forth in the budget estimates submitted to the Congress.

[SEC. 423. None of the funds appropriated or otherwise made available by this Act shall be used to promulgate a final regulation to implement changes in the payment of pesticide tolerance processing fees as proposed at 64 Fed. Reg. 31040, or any similar proposals. The Environmental Protection Agency may proceed with the development of such a rule.]

SEC. [424] 422. Except in the case of entities that are funded solely with Federal funds or any natural persons that are funded under this Act, none of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties to lobby or litigate in respect to adjudicatory proceedings funded in this Act. A chief executive officer of any entity receiving funds under this Act shall certify that none of these funds have been used to engage in the lobbying of the Federal Government or in litigation against the United States unless authorized under existing law.

SEC. [425] 423. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

[SEC. 426. None of the funds provided in title II for technical assistance, training, or management improvements may be obligated or expended unless HUD provides to the Committees on Appropriations a description of each proposed activity and a detailed budget estimate of the costs associated with each activity as part of the Budget Justifications. For fiscal year 2001, HUD shall transmit this information to the Committees by December 1, 2000, for 30 days of review.]

[SEC. 427. None of the funds made available in this Act may be used for the designation, or approval of the designation, of any area as an ozone nonattainment area under the Clean Air Act pursuant to the 8-hour national ambient air quality standard for ozone that was promulgated by the Environmental Protection Agency on July 18, 1997 (62 Fed. Reg. 38,356, p. 38855) and remanded by the District of Columbia Court of Appeals on May 14, 1999, in the case, *American Trucking Ass'ns. v. EPA* (No. 97-1440, 1999 Westlaw 300618) prior to June 15, 2001 or final adjudication of this case by the Supreme Court of the United States, whichever occurs first.]

[SEC. 428. Section 432 of Public Law 104-204 (110 Stat. 2874) is amended—

(a) in subsection (c) by inserting “or to restructure and improve the efficiency of the workforce” after “the National Aeronautics and Space Administration” and before “the Administrator”;

(b) by deleting paragraph (4) of subsection (h) and inserting in lieu thereof—

“(4) The provisions of subsections (1) and (3) of this section may be waived upon a determination by the Administrator that use of the incentive satisfactorily demonstrates downsizing

or other restructuring within the Agency that would improve the efficiency of agency operations or contribute directly to evolving mission requirements.”

(c) by deleting subsection (i) and inserting in lieu thereof—

“(i) REPORTS.—The Administrator shall submit a report on NASA’s restructuring activities to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate not later than September 30, 2001. This report shall include—

“(1) an outline of a timetable for restructuring the workforce at NASA Headquarters and field Centers;

“(2) annual Full Time Equivalent (FTE) targets by broad occupational categories and a summary of how these targets reflect the respective missions of Headquarters and the field Centers;

“(3) a description of personnel initiatives, such as relocation assistance, early retirement incentives, and career transition assistance, which NASA will use to achieve personnel reductions or to rebalance the workforce; and

“(4) a description of efficiencies in operations achieved through the use of the voluntary separation incentive.”; and

(d) in subsection (j), by deleting “September 30, 2000” and inserting in lieu thereof “September 30, 2002”.]

[SEC. 429. Section 70113(f) of title 49, United States Code, is amended by striking “December 31, 2000”, and inserting “December 31, 2001”.]

SEC. [430] 424. 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. 431. Title III of the National Aeronautics and Space Act of 1958, Public Law 85-568, is amended by adding the following new section at the end:

“SEC. 312. (a) Appropriations for the Administration for fiscal year 2002 and thereafter shall be made in three accounts, ‘Human space flight’, ‘Science, aeronautics and technology’, and an account for amounts appropriated for the necessary expenses of the Office of Inspector General. Appropriations shall remain available for 2 fiscal years. Each account shall include the planned full costs of the Administration’s related activities.

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

“(c) The Administrator, in consultation with the Director of the Office of Management and Budget, shall determine what balances from the ‘Mission support’ account are to be transferred to the ‘Human space flight’ and ‘Science, aeronautics and technology’ accounts. Such balances shall be transferred and merged with the ‘Human space flight’ and ‘Science, aeronautics and technology’ accounts, and remain available for the period of which originally appropriated.”.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)