

## DEPARTMENT OF VETERANS AFFAIRS

The 1996 Budget provides \$19,245 million in discretionary budget authority for veterans' health, benefits, and other services as summarized below:

DESCRIPTION OF DEPARTMENT OF VETERANS AFFAIRS FY 1996 DISCRETIONARY BUDGET AUTHORITY  
(in millions of dollars)

Account	Workload (Noncapital operating costs)		Current Infrastructure						New Presence <sup>3</sup>		Initiatives	Total
	1995	Additional	Equipment		NRM <sup>1</sup>		Construction <sup>2</sup>	Activations <sup>4</sup>	Construction	Activations <sup>4</sup>		
			Current	Backlog	Current	Backlog						
Veterans Health Administration:												
Medical Care .....	16,068.7	108.4	430.9	50.0	219.0		550.0	394.7	154.7	24.9	-335.1	17,666.2
Medical Research .....	257.0											257.0
MAMOE (admin) .....	72.3											72.3
Grants .....							5.2		38.5			43.7
Other .....	10.4											10.4
Veterans Benefits Administration .....	688.4	12.7	3.8				5.0	16.6			98.6	825.1
National Cemetery System .....	72.6	2.7					16.2		1.2			92.7
Other <sup>5</sup> .....	250.1	6.3	1.4				16.8				3.1	277.6
<b>Total .....</b>	<b>17,419.5</b>	<b>130.1</b>	<b>436.1</b>	<b>50.0</b>	<b>219.0</b>		<b>593.2</b>	<b>411.3</b>	<b>194.4</b>	<b>24.9</b>	<b>-233.4</b>	<b>19,245.0</b>

<sup>1</sup> NRM is Non-Recurring Maintenance.

<sup>2</sup> Includes \$189 million to construct a Medical Center at Travis, CA to replace Martinez Medical Center which was closed due to serious seismic and life safety deficiencies during the 1989 Loma Prieta earthquake.

<sup>3</sup> New Presence refers to funding for construction or activation in locations previously without VA facilities (e.g. construction of the new Brevard County (Florida) hospital, activation of new nursing homes, and grants to States for construction of new cemeteries or extended care facilities).

<sup>4</sup> Activations also includes funding for equipment.

<sup>5</sup> Other includes General Operating Expenses for Department level staff offices and entities such as the Board of Veterans Appeals, General Counsel, and the Office of Inspector General, etc.

### DEPARTMENT OF VETERANS AFFAIRS IMPLEMENTATION OF THE GOVERNMENT PERFORMANCE AND RESULTS ACT

The Government Performance and Results Act (GPRA) of 1993 represents the primary vehicle through which VA is developing more complete and refined performance information to determine better how well its programs are meeting their intended objectives.

VA is an active participant in the pilot project phase of GPRA implementation. Three pilot projects were launched in FY 1994 covering the loan guaranty program, New York Regional Office reinvention lab, and national cemetery operations. Additional pilot projects involving VA medical facilities will be initiated in FY 1995. The pilot organizations are developing performance plans that include measurable performance goals and objectives, and performance reports that summarize how well they are doing in meeting their performance objectives. The experience gained through participation in these pilot projects will be shared and applied throughout the Department so that VA will be positioned to implement the performance planning provisions in September 1997.

Implementation of GPRA is the avenue through which a more direct link will be established between strategic planning, performance measurement, and budgeting. A balanced set of performance measures tied to strategic goals and objectives is being developed for every VA program. These measures will be used to assess program outputs, effectiveness, efficiency, and outcomes. As it is developed and tested, this improved performance information will be included in future budgets.

## VETERANS HEALTH ADMINISTRATION

### *Federal Funds*

#### General and special funds:

#### MEDICAL CARE

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 of Veterans Affairs, and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in Department of Veterans Affairs facilities; 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 of Veterans Affairs; 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 of Veterans Affairs, 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 law (5 U.S.C. 5901-5902); aid to State homes as authorized by law (38 U.S.C. 1741); and not to exceed \$8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); **[\$16,232,756,000] \$16,961,487,000, plus reimbursements: Provided, That of the funds made available under this heading, \$771,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, [1995] 1996, and shall remain available for obligation until September 30, [1996: Provided further, That of the \$15,622,452,000 made available under this heading for fiscal year 1994 in Public Law 103-124, the \$9,863,265,000 restricted by section 509 of Public Law 103-124 for personnel compensation and benefits expenditures is reduced to \$9,813,265,000] 1997. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)**

## General and special funds—Continued

## MEDICAL CARE—Continued

## Program and Financing (in thousands of dollars)

Identification code 36-0160-0-1-703	1994 actual	1995 est.	1996 est.	
<b>Program by activities:</b>				
Direct program:				
Operating expenses:				
Maintenance and operation of VA facilities:				
00.01	VA hospital care	7,211,945	7,471,977	7,706,483
00.02	Nursing home care	941,012	1,050,857	1,151,397
00.03	Domiciliary care	203,242	216,990	228,694
00.04	Outpatient care	3,941,221	4,257,075	4,438,636
00.05	Miscellaneous benefits and services	717,465	726,640	761,379
00.06	Education and training	840,805	890,540	923,940
Contract care:				
00.10	Hospitalization	154,232	164,946	174,036
00.11	Community nursing home care	375,543	379,515	401,143
Grants for State home care:				
00.15	Domiciliary	19,380	22,174	23,000
00.16	Nursing home	137,349	160,583	178,628
00.17	Hospitalization	6,133	5,327	5,654
00.20	Hospitalization	33,442	36,197	38,789
00.21	Outpatient care	58,107	61,803	66,339
00.91	Total operating expenses	14,639,876	15,444,624	16,098,118
Capital investment:				
Maintenance and operation of VA facilities:				
01.01	VA hospital care	428,663	490,052	538,750
01.02	Nursing home care	53,348	60,949	67,008
01.03	Domiciliary care	15,705	17,948	19,732
01.04	Outpatient care	188,455	215,116	236,505
01.06	Education and training	1,394	1,300	1,374
01.20	CHAMPVA	970		
01.91	Total capital investment	688,535	785,365	863,369
01.92	Total direct program	15,328,411	16,229,989	16,961,487
02.01	Reimbursable program	72,115	78,717	79,445
10.00	Total obligations	15,400,526	16,308,706	17,040,932
<b>Financing:</b>				
21.40	Unobligated balance available, start of year: Treasury balance	-106,921	-415,305	-400,000
24.40	Unobligated balance available, end of year: Treasury balance	415,305	400,000	400,000
25.00	Unobligated balance expiring	3,355		
39.00	Budget authority (gross)	15,712,265	16,293,401	17,040,932
Budget authority:				
Current:				
40.00	Appropriation	15,643,452	16,232,756	16,961,487
40.75	Procurement reduction pursuant to P.L. 103-327		-18,072	
41.00	Transferred to other accounts	-3,302		
43.00	Appropriation (total)	15,640,150	16,214,684	16,961,487
Permanent:				
68.00	Spending authority from offsetting collections	72,115	78,717	79,445
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations	15,400,526	16,308,706	17,040,932
Obligated balance, start of year:				
72.10	Receivables from other government accounts	-30,133	-34,301	-36,324
72.40	Unpaid obligations: Treasury balance	2,029,385	2,153,506	2,405,765
Obligated balance, end of year:				
74.10	Receivables from other government accounts	34,301	36,324	37,955
74.40	Unpaid obligations: Treasury balance	-2,153,506	-2,405,765	-2,530,792
77.00	Adjustments in expired accounts	-92,534		
87.00	Outlays (gross)	15,188,039	16,058,470	16,917,536
Adjustments to gross budget authority and outlays:				
Offsetting collections from:				
88.00	Federal sources	-46,612	-50,879	-51,349
88.40	Non-Federal sources	-25,503	-27,838	-28,096
88.90	Total, offsetting collections	-72,115	-78,717	-79,445
89.00	Budget authority (net)	15,640,150	16,214,684	16,961,487
90.00	Outlays (net)	15,115,925	15,979,753	16,838,091

The following table presents a summary of selected performance trends for Medical Care. Performance indicators are shown for both

the inpatient and outpatient portions of the medical care system, including information on system capacity, workload, and staffing ratios.

Inpatient Summary:	1990 actual	1993 actual	1994 actual
VA Hospitals:			
Number of facilities	172	172	172
Number of beds	69,746	54,138	53,055
Occupancy rate:			
Overall average occupancy rate	67.0%	77.0%	75.3%
% of VAMCs with occupancy rates >85%	6%	9%	8%
% of VAMCs with occupancy rates >75%	26%	52%	46%
% of VAMCs with occupancy rates >65%	57%	92%	85%
Average length of stay	16.6	16.0	15.5
Patients (unique SSNs)	437,820	394,207	391,900
Number of admissions	983,060	909,155	897,330
Average daily census	46,728	41,663	39,941
Patients/FTE	3.5	3.2	3.2
FTE/Census	2.7	3.0	3.1
Nursing Homes:			
Number of facilities:			
VA nursing homes	126	128	128
Community nursing homes (agreements)	3,120	3,600	3,600
State nursing homes	56	66	71
Number of beds:			
VA nursing homes	12,926	14,790	14,890
Community nursing homes	N/A	N/A	N/A
State nursing homes	N/A	N/A	N/A
Average length of stay:			
VA nursing homes	158.9	155.3	156.2
Community nursing homes	106.7	113.9	110.1
State nursing homes	228.0	230.0	222.1
Patients (unique SSNs):			
VA nursing homes	15,517	17,860	18,192
Community nursing homes	10,349	9,477	10,317
State nursing homes	8,630	9,480	10,465
Outpatient Summary:			
Patients (unique SSNs)	2,161,591	2,315,621	2,344,617
Number of visits (OOOs)	22,602	24,406	25,442
Total:			
Patients (unique SSNs)	2,654,512	2,764,858	2,793,920
Staff ratios:			
Patients/Total FTE	13.7	13.5	13.7
Patients/Physician-Dentist FTE	200.6	203.6	207.3
Patients/RN-LPN-LVN-Nurs. Asst. FTE	44.9	44.3	45.1
Patients/Health Techs-Allied Health-Non-Phys. Providers FTE	70.1	66.4	65.9
Patients/Wage Board-Purchase & Hire FTE	82.0	85.8	89.1
Patients/All other FTE	51.8	50.6	51.1

This request would allow VA to provide high quality health services to all veterans expected to seek care in 1996. Workload estimates by program reflect a continued shift away from hospital inpatient care to other care settings when consistent with desired medical outcomes. As a result, the recent trend of a modest decline in hospital inpatient workload continues, while workload in outpatient and nursing home care continues to grow.

In 1996, increased costs are associated with: (1) the operational requirements of new facilities; (2) payroll increases; (3) equipment increases to reduce the backlog; (4) the increased cost of utilities, communications, provisions, prosthetics, medical and dental supplies, and operating supplies; and (5) an anticipated increase in the number of veterans seeking care. These increases are partially offset by savings of \$335 million in planned management improvements.

Under the auspices of the National Performance Review, a Management Improvement Task Force identified opportunities to promote greater efficiency. VA will: (1) trim unnecessary management layers that do not add demonstrable value; (2) make certain national programs self-sustaining by marketing their services to interested medical centers; (3) consolidate redundant medical services to improve efficiency; and (4) utilize available community services that are less expensive. The Veterans Integrated Service Networks (VISNs), a new corporate management structure representing geographic networks of facilities, will enable the VA to implement these management improvements.

*Maintenance and operation of VA facilities—*

*VA hospital care.*—Costs for 1996 are estimated to increase by \$283,668 thousand for operating the medical, sur-

gical, psychiatric, and intermediate bed sections in 173 VA hospitals.

Estimated operating levels are:

	1994 actual	1995 est.	1996 est.
Patients treated .....	940,043	933,000	930,000
Average daily census .....	39,941	39,100	38,600
Average employment (including education and training) .....	122,456	118,681	117,002

**Nursing home care.**—An increase of \$106,599 thousand in 1996 is estimated for the operation of nursing care beds in 136 facilities.

Estimated operating levels are:

	1994 actual	1995 est.	1996 est.
Patients treated .....	31,550	33,084	34,855
Average daily nursing patient census .....	13,504	14,167	14,885
Average employment (including education and training) .....	18,627	19,199	20,200

**Domiciliary care.**—In 1996, an increase of \$13,488 thousand is estimated for the care of domiciliary members in 39 facilities. The statutory requirements to provide care for homeless veterans will be met.

Estimated operating levels are:

	1994 actual	1995 est.	1996 est.
Patients treated .....	18,236	18,298	18,672
Average daily member census .....	6,051	6,116	6,224
Average employment (including education and training) .....	3,536	3,474	3,540

**Outpatient care.**—An increase of \$203,214 thousand is estimated in 1996 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.

NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS

	1994 actual	1995 est.	1996 est.
Medical visits (in thousands):			
Staff .....	24,419	24,900	25,300
Fee .....	1,023	1,000	1,000
Total .....	25,442	25,900	26,300
Dental:			
Staff:			
Examinations .....	206,499	205,000	205,000
Treatments .....	146,262	145,000	145,000
Total .....	352,761	350,000	350,000
Fee: Cases completed .....	16,847	16,500	16,500
Average employment (including education and training) .....	50,730	51,091	51,935

**Miscellaneous benefits and services.**—This covers such items of nondirect medical care and treatment 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. It also includes the cost of the readjustment counseling program and certain sharing agreements. An increase of \$34,739 thousand is estimated for 1996.

	1994 actual	1995 est.	1996 est.
Average employment .....	7,309	7,316	7,351

**Education and training.**—An increase of \$33,474 thousand is estimated in 1996 for residency and other health training services.

	1994 actual	1995 est.	1996 est.
Average employment (all education and training average employment has been apportioned to the respective activities) .....	8,501	8,307	8,307
Number of trainees .....	109,433	109,433	109,433

**Contract care—**

**Hospitalization.**—An increase of \$9,090 thousand is estimated in 1996, reflecting an increase in inflation for contract care in the hospitalization of patients for service and non-service-connected disabilities in other Federal hospitals when VA facilities are not available. VA beneficiaries, such as women veterans of any war, emergency cases, and veter-

ans requiring hospitalization to prevent their interruption of vocational rehabilitation training are also provided care in non-Federal hospitals under the provisions of title 38, U.S.C., sections 1701 and 3106 (formerly sections 601 and 1506).

	1994 actual	1995 est.	1996 est.
Average daily patient census .....	328	325	325
Patients treated .....	20,443	20,800	20,868

**Community nursing home care.**—An increase of \$21,628 thousand is estimated in 1996 for nursing care in private facilities reflecting an adjustment in per diem rates.

	1994 actual	1995 est.	1996 est.
Average daily nursing census .....	8,783	8,456	8,456
Patients treated .....	29,104	28,059	28,135

**Grants for State home care—**

**Domiciliary.**—An increase of \$826 thousand in 1996 is estimated for the cost of domiciliary care of veterans in State homes.

	1994 actual	1995 est.	1996 est.
Average daily member census .....	3,517	3,575	3,643
Patients treated .....	6,430	6,700	6,846

**Nursing home.**—An increase of \$18,045 thousand in 1996 is estimated for the cost of nursing care of veterans in State homes.

	1994 actual	1995 est.	1996 est.
Average daily nursing census .....	11,369	11,903	12,470
Patients treated .....	18,683	19,700	20,695

**Hospitalization.**—An increase of \$327 thousand is estimated in 1996 for the cost of hospital care of veterans in State homes.

	1994 actual	1995 est.	1996 est.
Average daily patient census .....	355	355	355
Patients treated .....	2,045	2,100	2,106
Average employment (for support of all non-VA facility workloads) .....	1,226	1,226	1,226

**Civilian health and medical program of the Department of Veterans Affairs.**—A net increase of \$7,128 thousand is estimated in 1996 for private hospital and outpatient care for dependents and survivors of certain veterans, reflecting the cost of inflation.

	1994 actual	1995 est.	1996 est.
Average daily hospital census .....	224	235	235
Outpatient (in thousands) .....	844	900	900

Object Classification (in thousands of dollars)

Identification code 36-0160-0-1-703	1994 actual	1995 est.	1996 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	6,395,421	6,437,655	6,669,748
11.3 Other than full-time permanent .....	772,742	778,741	806,822
11.5 Other personnel compensation .....	771,901	790,836	813,046
Total personnel compensation .....	7,940,064	8,007,232	8,289,616
12.1 Civilian personnel benefits .....	1,848,911	1,870,467	1,979,348
13.0 Benefits for former personnel .....	39,310	13,120	13,120
Travel and transportation of persons:			
21.0 Employee travel .....	31,939	40,157	50,000
21.0 Beneficiary travel .....	87,981	98,779	100,890
21.0 Interagency motor pool payments .....	10,465	10,949	11,257
21.0 All other .....	25,765	28,302	28,917
22.0 Transportation of things .....	22,705	23,474	24,188
23.1 Rental payments to GSA .....	23,992	27,253	29,463
23.2 Rental payments to others .....	47,689	49,603	55,093
23.3 Communications, utilities, and miscellaneous charges .....	404,280	423,256	451,337
24.0 Printing and reproduction .....	14,684	15,631	15,961
Other services:			
25.2 Outpatient dental fees .....	10,657	10,980	11,562
25.2 Medical and nursing fees .....	215,220	225,138	237,070
25.2 Community nursing homes .....	340,739	343,948	364,002
25.2 Contract hospitalization .....	145,762	156,294	165,028
25.2 Civilian health and medical program of the Veterans Administration .....	85,137	91,451	98,310
25.2 Other contractual services .....	995,608	1,323,432	1,355,468
Supplies and materials:			
26.0 Supplies and materials .....	2,093,864	2,400,218	2,508,868
26.0 Provisions .....	96,520	98,219	102,584
31.0 Equipment .....	486,382	535,901	667,177

**General and special funds—Continued**

**MEDICAL CARE—Continued**

**Object Classification (in thousands of dollars)—Continued**

Identification code 36-0160-0-1-703	1994 actual	1995 est.	1996 est.
32.0 Land and structures .....	202,155	249,463	196,192
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions .....	152,952	177,961	196,748
41.0 Grants to private organizations .....	5,630	5,500	5,787
43.0 Interest and dividends .....		3,261	3,501
99.0 Subtotal, direct obligations .....	15,328,411	16,229,989	16,961,487
99.0 Reimbursable obligations .....	72,115	78,717	79,445
99.9 Total obligations .....	15,400,526	16,308,706	17,040,932

**Personnel Summary**

Identification code 36-0160-0-1-703	1994 actual	1995 est.	1996 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment .....	202,947	199,890	200,122
1005 Full-time equivalent of overtime and holiday hours .....	4,222	3,897	3,874
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment .....	937	1,097	1,132
2005 Full-time equivalent of overtime and holiday hours .....	19	21	22

**MEDICAL AND PROSTHETIC RESEARCH**

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by law (38 U.S.C. chapter 73), to remain available until September 30, [1996] 1997, [\$252,000,000] \$257,000,000, plus reimbursements. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

**Program and Financing (in thousands of dollars)**

Identification code 36-0161-0-1-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
Direct program:			
Operating expenses:			
00.01 Medical research .....	182,894	186,241	187,541
00.02 Rehabilitation research .....	26,214	25,886	25,939
00.03 Health services research .....	23,209	35,245	32,058
00.91 Total operating expenses .....	232,317	247,372	245,538
Capital investment:			
01.01 Medical research .....	11,719	8,814	8,797
01.02 Rehabilitation research .....	2,329	2,333	2,255
01.03 Health services research .....	1,614	1,900	1,410
01.91 Total capital investment .....	15,662	13,047	12,462
01.92 Total direct program .....	247,979	260,419	258,000
02.01 Reimbursable program .....	44,366	40,000	45,000
10.00 Total obligations .....	292,345	300,419	303,000
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-5,860	-9,676	-1,000
24.40 Unobligated balance available, end of year: Treasury balance .....	9,676	1,000	
25.00 Unobligated balance expiring .....	205		
39.00 Budget authority (gross) .....	296,366	291,743	302,000
Budget authority:			
Current:			
40.00 Appropriation .....	252,000	252,000	257,000
40.75 Procurement reduction pursuant to P.L. 103-327 .....		-257	
43.00 Appropriation (total) .....	252,000	251,743	257,000
Permanent:			
68.00 Spending authority from offsetting collections (new) .....	44,366	40,000	45,000

Relation of obligations to outlays:			
71.00 Total obligations .....	292,345	300,419	303,000
Obligated balance, start of year:			
72.10 Receivables from other government accounts .....	-11,228	-5,364	-5,364
72.40 Unpaid obligations: Treasury balance .....	73,937	67,893	76,983
Obligated balance, end of year:			
74.10 Receivables from other government accounts .....	5,364	5,364	5,364
74.40 Unpaid obligations: Treasury balance .....	-67,893	-76,983	-79,388
77.00 Adjustments in expired accounts .....	-7,315		
87.00 Outlays (gross) .....	285,211	291,329	300,595
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal sources .....	-44,366	-40,000	-45,000
89.00 Budget authority (net) .....	252,000	251,743	257,000
90.00 Outlays (net) .....	240,845	251,329	255,595

The Medical and Prosthetic Research account is comprised of the following three programs:

**Medical research.**—This program is comprised of investigator-initiated and special research. In addition to the broad spectrum of biomedical research projects, priority is given to research Acquired Immune Deficiency Syndrome and conditions that frequently occur among veterans such as aging, alcoholism, schizophrenia, delayed stress disorders and other mental illness, and spinal cord injury and tissue regeneration. Cooperative studies include surgical treatment of angina pectoris, adjunct treatment of diabetes, and relative potency and side-effect liability of new and marketed sedatives. In 1995, the Department of Defense (DOD) will provide \$20 million to support research in areas of interest to both VA and DOD.

**Rehabilitation research.**—This program is dedicated to the development and application of science and technology to improve the care of physically disabled veterans through prostheses for the amputee, improved wheelchairs for the paralyzed, and better joint functions for the arthritic. It also includes care for those with visual, hearing, and speech disorders.

**Health services research.**—This program provides support for health services projects at Department of Veterans Affairs medical centers for improving the effectiveness and economy of delivery of health services and improving the accessibility of services to veterans.

In support of the research activities of these three programs, VA applies a variety of budgetary resources including appropriations from the Medical Care account and reimbursements from the DOD, Grants from the National Institutes of Health, private proprietary sources, and voluntary agencies which provide additional support for VA's researchers. The first table summarizes all budgetary resources for the Medical and Prosthetic Research account. The second table shows the total number of projects and award rates for newly approved projects.

**SUMMARY OF BUDGETARY RESOURCES**

[In thousands of dollars]

	1994 actual	1995 est.	1996 est.
Medical and prosthetic research appropriation .....	252,000	251,743	257,000
Medical care appropriation .....	369,605	380,300	391,328
Federal grants (NIH) .....	187,086	199,000	205,169
Other grants (voluntary agencies, private proprietary) .....	16,900	17,400	17,939
DOD reimbursements .....	20,000	150,000	
Total budgetary resources .....	845,591	898,443	871,436

<sup>1</sup>Of \$50 million appropriated for cooperative DoD/VA Research for 1995, Congress set aside \$15 million for brain and spinal cord injury research, \$10 million for research related to prostate cancer, and \$5 million for research into the Gulf War Syndrome. This leaves \$20 million for general research.

**PROGRAM INDICATORS**

	1994 actual	1995 est.	1996 est.
Medical Research:			
Number of projects <sup>1</sup> .....	1,589	1,584	1,517
Award Rate .....	25%	24%	22%
Rehabilitation Research:			
Number of projects .....	147	151	152
Award Rate .....	100%	100%	100%

Health Services Research:			
Number of projects .....	134	150	149
Award Rate .....	77%	72%	N/A
Total number of projects .....	1,870	1,885	1,818

<sup>1</sup> The number of research projects supported by this appropriation plus funds transferred from DOD appropriated funds.

Object Classification (in thousands of dollars)

Identification code 36-0161-0-1-703	1994 actual	1995 est.	1996 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	38,215	41,774	42,099
11.3 Other than full-time permanent .....	87,764	94,919	96,220
11.5 Other personnel compensation .....	5,467	5,850	5,965
11.9 Total personnel compensation .....	131,446	142,543	144,284
12.1 Civilian personnel benefits .....	32,657	35,246	35,770
13.0 Benefits for former personnel .....	189	200	205
Travel and transportation of persons:			
21.0 Employee travel .....	1,717	2,153	1,922
21.0 Beneficiary travel .....	37	16	16
21.0 Interagency motor pool payments .....	23	6	6
21.0 All other .....	191	381	678
22.0 Transportation of things .....	239	225	226
23.3 Communications, utilities, and miscellaneous charges .....	927	845	844
24.0 Printing and reproduction .....	587	476	460
25.2 Other services .....	40,769	43,608	40,412
26.0 Supplies and materials .....	23,535	21,673	20,715
31.0 Equipment .....	15,621	12,971	12,390
32.0 Land and structures .....	41	76	72
99.0 Subtotal, direct obligations .....	247,979	260,419	258,000
99.0 Reimbursable obligations .....	44,366	40,000	45,000
99.9 Total obligations .....	292,345	300,419	303,000

Personnel Summary

Identification code 36-0161-0-1-703	1994 actual	1995 est.	1996 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment .....	3,486	3,542	3,474
1005 Full-time equivalent of overtime and holiday hours .....	28	21	21
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	661	568	636

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 planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; **[\$69,808,000]** \$72,262,000, plus reimbursements. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 36-0152-0-1-703	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Operating expenses: Medical, hospital, nursing home, and domiciliary administration .....	70,156	69,665	72,002
00.02 Capital investment: Medical hospital, nursing home and domiciliary administration .....	597	124	260
10.00 Total obligations .....	70,753	69,789	72,262
Financing:			
25.0 Unobligated balance expiring .....	247		
39.0 Budget authority .....	71,000	69,789	72,262

Budget authority:			
40.00 Appropriation .....	68,500	69,808	72,262
40.75 Procurement reduction pursuant to P.L. 103-327 .....		-19	
42.00 Transferred from other accounts .....	2,500		
43.00 Appropriation (total) .....	71,000	69,789	72,262

Relation of obligations to outlays:

71.00 Total obligations .....	70,753	69,789	72,262
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....	13,727	9,107	6,413
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....	-9,107	-6,413	-6,640
77.00 Adjustments in expired accounts .....	-1,739		
90.00 Outlays .....	73,634	72,482	72,035

*Medical, hospital, nursing home, and domiciliary administration.*—Central office staff elements will continue to provide executive direction for all Department medical and construction programs through program development, implementation, and the administration of policies, plans, and objectives. The 1994 and 1995 estimates reflect a restructuring of the office of construction management to create project delivery teams. The new organization is designed to improve both efficiency and customer service.

Object Classification (in thousands of dollars)

Identification code 36-0152-0-1-703	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent .....	47,640	47,854	49,095
11.3 Other than full-time permanent .....	973	977	1,000
11.5 Other personnel compensation .....	2,118	2,229	2,386
11.9 Total personnel compensation .....	50,731	51,060	52,481
12.1 Civilian personnel benefits .....	7,926	8,068	8,280
13.0 Benefits for former personnel .....	825		
21.0 Travel and transportation of persons: employee travel .....	817	795	826
22.0 Transportation of things .....	93	213	220
23.1 Rental payments to GSA .....	5,032	5,237	5,544
23.3 Communications, utilities, and miscellaneous charges .....	963	963	1,041
24.0 Printing and reproduction .....	122	140	155
25.1 Advisory and assistance services .....	269	253	261
25.2 Other services .....	2,607	2,390	2,569
26.0 Supplies and materials .....	771	546	625
31.0 Equipment .....	597	124	260
99.9 Total obligations .....	70,753	69,789	72,262

Personnel Summary

Identification code 36-0152-0-1-703	1994 actual	1995 est.	1996 est.
Total compensable workyears:			
1001 Full-time equivalent employment .....	827	802	790
1005 Full-time equivalent of overtime and holiday hours .....	1	1	1

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

For payment of health professional scholarship program grants, as authorized by law, to students who agree to a service obligation with the Department of Veterans Affairs at one of its medical facilities, \$10,386,000. (Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 36-0163-0-1-703	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 41.0) .....	10,386	10,386	10,386
Financing:			
40.00 Budget authority (appropriation) .....	10,386	10,386	10,386
Relation of obligations to outlays:			
71.00 Total obligations .....	10,386	10,386	10,386
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....	13,563	14,625	14,625

**General and special funds—Continued**

**HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM—Continued**

**Program and Financing (in thousands of dollars)—Continued**

Identification code 36-0163-0-1-703	1994 actual	1995 est.	1996 est.
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....	-14,625	-14,625	-14,625
77.00 Adjustments in expired accounts .....	-14		
90.00 Outlays .....	9,310	10,386	10,386

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

**HEALTH PROFESSIONAL EDUCATION LOAN PAYMENT PROGRAM**

**Program and Financing (in thousands of dollars)**

Identification code 36-0164-0-1-703	1994 actual	1995 est.	1996 est.
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-5,000		
25.00 Unobligated balance expiring .....	5,000		
39.00 Budget authority .....			
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....			
90.00 Outlays .....			

This program was established in appropriations law (P.L. 102-389). It has not, however, been authorized.

**MEDICAL CARE COST RECOVERY FUND**

**Unavailable Collections (in thousands of dollars)**

Identification code 36-5014-0-2-703	1994 actual	1995 est.	1996 est.
Balance, start of year:			
01.99 Balance, start of year .....	498,068	535,959	552,011
Receipts:			
02.01 Medical cost recovery .....	133,655	124,003	164,513
04.00 Total: Balances and collections .....	631,723	659,962	716,524
Appropriation:			
05.01 Medical care cost recovery fund .....	-95,764	-107,951	-111,103
07.99 Total balance, end of year .....	535,959	552,011	605,421

**Program and Financing (in thousands of dollars)**

Identification code 36-5014-0-2-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.09 Operating expenses .....	88,905	100,814	103,752
00.10 Capital investment .....	6,364	7,137	7,351
10.00 Total obligations .....	95,269	107,951	111,103
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-3,635	-4,130	-4,130
24.40 Unobligated balance available, end of year: Treasury balance .....	4,130	4,130	4,130
60.25 Budget authority (appropriation) (special fund, indefinite) .....	95,764	107,951	111,103
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	95,269	107,951	111,103
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....	13,458	13,748	15,523

74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....	-13,748	-15,523	-15,964
90.00 Outlays .....	94,979	106,176	110,662

The Medical Care Cost Recovery (MCCR) Fund was established by the Omnibus Budget Reconciliation Act of 1990, P.L. 100-508. This Fund serves as a depository for all third-party insurance collections. A portion of these monies will be utilized to provide for FTE and other administrative costs associated with medical care cost recovery efforts. After providing for the estimated cost of operations for the ensuing year, remaining funds are transferred to the Department of Treasury before January of the next year.

While the MCCR Fund reflects the program costs of both third-party and copayment activities, the receipts only reflect third-party recoveries. The table below presents the complete relationship between the costs of MCCR activities and the total collections, regardless of source, resulting from these activities.

In 1995, the Administration will propose legislation to extend through 2000 current legal provisions due to expire in 1998. These provisions provide for the collection of third party health insurance payments for care provided by the VA for service-connected veterans with nonservice-connected conditions, including copayments and income verification provisions.

[In thousands of dollars]

Program activity	1994 actual	1995 est.	1996 est.
Third-party recoveries .....	506,156	512,323	564,742
Copayments and other collections .....	40,407	66,959	76,176
Total collections .....	546,563	579,282	640,918
Total program costs .....	95,764	107,951	111,103
Ratio of costs to collections .....	17.52%	18.63%	17.33%

**Object Classification (in thousands of dollars)**

Identification code 36-5014-0-2-703	1994 actual	1995 est.	1996 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	48,216	52,826	54,356
11.5 Other personnel compensation .....	14,156	15,509	15,959
11.9 Total personnel compensation .....	62,372	68,335	70,315
12.1 Civilian personnel benefits .....	14,629	16,028	16,492
13.0 Benefits for former personnel .....	129	141	145
21.0 Travel and transportation of persons .....	1,751	2,697	2,778
22.0 Transportation of things .....	146	90	93
23.3 Communications, utilities, and miscellaneous charges .....	2,664	5,662	5,832
24.0 Printing and reproduction .....	242	360	371
25.1 Advisory and assistance services .....		5	5
25.2 Other services .....	2,594	4,197	4,323
26.0 Supplies and materials .....	4,378	3,299	3,398
31.0 Equipment .....	6,364	7,137	7,351
99.9 Total obligations .....	95,269	107,951	111,103

**Personnel Summary**

Identification code 36-5014-0-2-703	1994 actual	1995 est.	1996 est.
<b>Total compensable workyears:</b>			
1005 Full-time equivalent of overtime and holiday hours .....	57	35	35
1011 Exempt Full-time equivalent employment .....	2,149	2,275	2,275

**Public enterprise funds:**

**MEDICAL FACILITIES REVOLVING FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-4138-0-3-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Operating expenses .....	607	1,610	1,067
00.02 Capital investment .....	48	3,757	2,491

10.00	Total obligations .....	655	5,367	3,558
<b>Financing:</b>				
21.40	Unobligated balance available, start of year: Treasury balance .....		-10,623	-14,000
22.00	Unobligated balance transferred, net .....			12,000
24.40	Unobligated balance available, end of year: Treasury balance .....	10,623	14,000	1,186
39.00	Budget authority (gross) .....	11,278	8,744	2,744
Budget authority:				
Current:				
42.00	Transferred from other accounts .....	6,000	6,000	
Permanent:				
68.00	Spending authority from offsetting collections .....	5,278	2,744	2,744
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations .....	655	5,367	3,558
Obligated balance, start of year:				
72.10	Receivables from other government accounts .....		-2,584	
72.40	Unpaid obligations: Treasury balance .....			1,610
Obligated balance, end of year:				
74.10	Receivables from other government accounts .....	2,584		
74.40	Unpaid obligations: Treasury balance .....		-1,610	-1,067
87.00	Outlays (gross) .....	3,239	1,173	4,101
Adjustments to gross budget authority and outlays:				
88.00	Offsetting collections from: Federal sources .....	-5,278	-2,744	-2,744
89.00	Budget authority (net) .....	6,000	6,000	
90.00	Outlays (net) .....	-2,039	-1,571	1,357

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 for spending expenses at the facility furnishing the nursing care.

Object Classification (in thousands of dollars)

Identification code 36-4138-0-3-703	1994 actual	1995 est.	1996 est.	
25.2	Other services .....	161	427	283
26.0	Supplies and materials .....	446	1,183	784
31.0	Equipment .....	48	3,757	2,491
99.9	Total obligations .....	655	5,367	3,558

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in thousands of dollars)

Identification code 36-4014-0-3-705	1994 actual	1995 est.	1996 est.	
<b>Program by activities:</b>				
Operating expenses:				
00.01	Acquisitions .....	124,081	138,579	140,742
00.02	Direct operations .....	82,720	92,386	93,828
00.91	Total operating expenses .....	206,801	230,965	234,570
01.01	Capital investment: Sales program: Purchase of equipment and leasehold .....	7,091	10,001	10,901
10.00	Total obligations .....	213,892	240,966	245,471
<b>Financing:</b>				
21.90	Unobligated balance available, start of year: Fund balance .....	-21,213	-21,386	-23,047
24.90	Unobligated balance available, end of year: Fund balance .....	21,386	23,047	24,949
68.00	Budget authority (gross): Spending authority from offsetting collections .....	214,065	242,626	247,372
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations .....	213,892	240,966	245,471
72.90	Obligated balance, start of year: Treasury balance .....	24,125	22,252	24,492

74.90	Obligated balance, end of year: Treasury balance .....	-22,252	-24,492	-25,699
87.00	Outlays (gross) .....	215,765	238,726	244,264
Adjustments to gross budget authority and outlays:				
Offsetting collections from:				
88.00	Federal sources .....	-1,323	-1,600	-1,600
88.40	Non-Federal sources .....	-212,742	-241,026	-245,772
88.90	Total, offsetting collections .....	-214,065	-242,626	-247,372
89.00	Budget authority (net) .....			
90.00	Outlays (net) .....	1,700	-3,900	-3,108

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

**Financing.**—Operations will be financed from current revenues.

Statement of Operations (in thousands of dollars)

Identification code 36-4014-0-3-705	1993 actual	1994 actual	1995 est.	1996 est.	
0101	Revenue .....	207,197	214,065	242,626	247,372
0102	Expense .....	-203,095	-211,316	-236,800	-240,570
0109	Net income or loss (-) .....	4,102	2,749	5,826	6,802

Balance Sheet (in thousands of dollars)

Identification code 36-4014-0-3-705	1993 actual	1994 actual	1995 est.	1996 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	7,338	6,638	12,917	14,997
Investments in US securities:					
1102	Treasury securities, par ..	38,000	37,000	40,000	39,000
1106	Receivables, net .....	1,563	1,592	2,014	2,450
1107	Advances and prepayments .....	52	110	50	50
1206	Non-Federal assets: Receivables, net .....	519	523	530	550
1803	Other Federal assets: Property, plant and equipment, net ...	49,590	52,865	54,546	60,572
1999	Total assets .....	97,062	98,728	110,057	117,619
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	235	228	302	330
2104	Resources payable to Treasury .....	267	2,242	2,100	2,100
Non-Federal liabilities:					
2201	Accounts payable .....	13,077	12,663	6,823	7,360
2207	Other .....	7,342	7,987	8,250	8,445
2999	Total liabilities .....	20,921	23,120	17,475	18,235
<b>NET POSITION:</b>					
3200	Invested capital .....	44,836	44,729	54,457	57,528
3999	Total net position .....	44,836	44,729	54,457	57,528
4999	Total liabilities and net position .....	65,757	67,849	71,932	75,763

Object Classification (in thousands of dollars)

Identification code 36-4014-0-3-705	1994 actual	1995 est.	1996 est.	
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	37,408	38,385	39,170
11.3	Other than full-time permanent .....	16,196	16,646	17,006
11.5	Other personnel compensation .....	382	455	510
11.9	Total personnel compensation .....	53,986	55,486	56,686
12.1	Civilian personnel benefits .....	14,925	15,313	15,999
21.0	Travel and transportation of persons .....	1,273	1,395	1,435
22.0	Transportation of things .....	231	330	375
23.3	Communications, utilities, and miscellaneous charges .....	252	350	400
24.0	Printing and reproduction .....	147	150	150
25.2	Other services .....	2,437	2,625	2,600
26.0	Supplies and materials .....	133,551	155,317	156,926
31.0	Equipment .....	7,090	10,000	10,900

**Public enterprise funds—Continued**

**CANTEEN SERVICE REVOLVING FUND—Continued**

**Object Classification (in thousands of dollars)—Continued**

Identification code 36-4014-0-3-705	1994 actual	1995 est.	1996 est.
99.9 Total obligations .....	213,892	240,966	245,471

**Personnel Summary**

Identification code 36-4014-0-3-705	1994 actual	1995 est.	1996 est.
Total compensable workyears:			
5005 Full-time equivalent of overtime and holiday hours	12	25	28
5011 Exempt Full-time equivalent employment .....	3,114	3,250	3,425

**SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-4048-0-3-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Contracts .....	9,458	15,041	17,298
00.02 Education and training .....	592	941	1,082
00.03 Operating expenses .....	4,909	7,808	8,979
10.00 Total obligations .....	14,959	23,790	27,359
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance .....	-2,165	-2,846	-2,846
24.90 Unobligated balance available, end of year: Fund balance .....	2,846	2,846	2,846
68.00 Budget authority (gross): Spending authority from offsetting collections .....	15,640	23,790	27,359
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	14,959	23,790	27,359
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....	262	792	1,791
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-792	-1,791	-2,840
87.00 Outlays (gross) .....	14,429	22,791	26,310
Adjustments to gross budget authority and outlays:			
88.40 Offsetting collections from: Non-Federal sources .....	-15,640	-23,790	-27,359
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....	-1,211	-999	-1,049

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 thousands of dollars)**

Identification code 36-4048-0-3-703	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue .....	8,566	16,215	23,790	27,359
0102 Expense .....	-7,911	-14,959	-23,790	-27,359
0109 Net income or loss (-) .....	655	1,256		

**Balance Sheet (in thousands of dollars)**

Identification code 36-4048-0-3-703	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	2,427	3,419	4,630	6,556
Investments in US securities:				
1106 Receivables, net .....	34	1,584	1,584	1,584
1206 Non-Federal assets: Receivables, net .....	983	164	164	164
1803 Other Federal assets: Property, plant and equipment, net ...	768	781	781	781
1999 Total assets .....	4,212	5,948	7,159	9,085
<b>LIABILITIES:</b>				
Federal liabilities: Accounts payable .....				
2101	34	717	1,928	3,854
Non-Federal liabilities:				
2201 Accounts payable .....	141	20	20	20
2207 Other .....	13	1	1	1
2999 Total liabilities .....	188	738	1,949	3,875
<b>NET POSITION:</b>				
3200 Invested capital .....		781	781	781
3300 Cumulative results of operations .....	4,024	4,429	4,429	4,429
3999 Total net position .....	4,024	5,210	5,210	5,210
4999 Total liabilities and net position .....	4,212	5,948	7,159	9,085

**Object Classification (in thousands of dollars)**

Identification code 36-4048-0-3-703	1994 actual	1995 est.	1996 est.
21.0 Travel and transportation of persons .....	688	1,094	1,259
22.0 Transportation of things .....	539	856	985
23.3 Communications, utilities, and miscellaneous charges	464	737	848
24.0 Printing and reproduction .....	793	1,261	1,450
25.2 Other services .....	9,498	15,108	17,372
26.0 Supplies and materials .....	2,154	3,426	3,940
31.0 Equipment .....	823	1,308	1,505
99.9 Total obligations .....	14,959	23,790	27,359

**MEDICAL CENTER RESEARCH ORGANIZATIONS**

**Program and Financing (in thousands of dollars)**

Identification code 36-4026-0-3-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Operating expenses .....	23,401	24,056	24,858
00.02 Capital investment .....	2,770	2,874	2,961
10.00 Total obligations .....	26,171	26,930	27,819
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance .....	-17,700	-17,700	-17,700
24.90 Unobligated balance available, end of year: Fund balance .....	17,700	17,700	17,700
68.00 Budget authority (gross): Spending authority from offsetting collections .....	26,171	26,930	27,819
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	26,171	26,930	27,819
87.00 Outlays (gross) .....	26,171	26,930	27,819
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
88.00 Federal sources .....	-1,309	-1,347	-1,391
88.40 Non-Federal sources .....	-24,862	-25,583	-26,428
88.90 Total, offsetting collections .....	-26,171	-26,930	-27,819
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....			

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 thousands of dollars)

Identification code 36-4026-0-3-703	1994 actual	1995 est.	1996 est.
21.0 Travel and transportation of persons .....	342	355	366
23.3 Communications, utilities, and miscellaneous charges .....	36	37	38
24.0 Printing and reproduction .....	43	44	45
25.2 Other services .....	16,226	16,611	17,188
26.0 Supplies and materials .....	6,754	7,009	7,221
31.0 Equipment .....	2,770	2,874	2,961
99.9 Total obligations .....	26,171	26,930	27,819

**Trust Funds**

GENERAL POST FUND, NATIONAL HOMES

Program and Financing (in thousands of dollars)

Identification code 36-8180-0-7-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Religious, recreational, and entertainment activities .....	14,591	14,706	16,784
00.02 Research activities .....	10,862	11,080	11,451
00.03 Therapeutic residence maintenance .....	353	484	595
00.04 Therapeutic residence purchase and renovation .....	2,016	2,110	500
10.00 Total obligations .....	27,822	28,380	29,330
<b>Financing:</b>			
Unobligated balance available, start of year:			
21.40 Treasury balance .....	789	1,519	-442
21.41 U.S. Securities: Par value .....	-38,550	-38,279	-37,500
Unobligated balance available, end of year:			
24.40 Treasury balance .....	-1,519	442	375
24.41 U.S. Securities: Par value .....	38,279	37,500	38,500
39.00 Budget authority .....	26,822	29,561	30,263
Budget authority:			
Current:			
41.00 Transferred to other accounts .....		-61	-63
Permanent:			
60.27 Appropriation (trust fund, indefinite) .....	26,822	29,622	30,326
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	27,822	28,380	29,330
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....	937	1,680	815
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....	-1,680	-815	-735
90.00 Outlays .....	27,079	29,245	29,410

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, nonprofit corporations, and individuals to support VA medical research are deposited into this fund. (38 U.S.C. chs. 83 and 85.)

Object Classification (in thousands of dollars)

Identification code 36-8180-0-7-705	1994 actual	1995 est.	1996 est.
23.3 Communications, utilities, and miscellaneous charges .....	3,597	3,669	3,792

25.2 Other services .....	1,772	1,808	1,868
26.0 Supplies and materials .....	11,334	11,560	11,947
31.0 Equipment .....	10,377	10,584	10,939
32.0 Land and structures .....	740	755	780
44.0 Refunds .....	2	4	4
99.9 Total obligations .....	27,822	28,380	29,330

**Credit accounts:**

TRANSITIONAL HOUSING LOANS

Program and Financing (in thousands of dollars)

Identification code 36-0190-0-1-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Trust fund receipt account payment .....	59		
10.00 Total obligations (object class 25.2) .....	59		
<b>Financing:</b>			
40.00 Budget authority (appropriation) .....	59		
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	59		
90.00 Outlays .....	59		

This account includes the one-time appropriations from the General Fund in 1994 to be paid into the Transitional Housing Loan Program account.

TRANSITIONAL HOUSING LOAN PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$7,000, as authorized by Public Law 102-54, section 8, which shall be transferred from the "General post fund": *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$70,000. In addition, for administrative expenses to carry out the direct loan program, [\$54,000] \$56,000, which shall be transferred from the "General post fund", as authorized by Public Law 102-54, section 8. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 36-8128-0-7-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loan subsidy .....		7	7
00.09 Administrative expenses .....		54	56
10.00 Total obligations .....		61	63
<b>Financing:</b>			
25.00 Unobligated balance expiring .....	59		
39.00 Budget authority .....	59	61	63
Budget authority:			
Current:			
42.00 Transferred from other accounts .....		61	63
Permanent:			
60.26 Appropriation (trust fund, definite) .....	59		
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....		61	63
90.00 Outlays .....		61	63

This program provides loans to nonprofit organizations to assist them in leasing housing units exclusively for use as a transitional group residence for veterans who are in (or who have recently been in) a program for the treatment of substance abuse. The amount of the loan cannot exceed

**Credit accounts—Continued**

**TRANSITIONAL HOUSING LOAN PROGRAM—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

**\$4,500 for any single residential unit and each loan must be repaid within two years through monthly installments. The amount of loans outstanding at any time may not exceed \$100,000.**

Nonprofit organizations participating in the program must ensure that, in the operation of each residence established with the assistance of this loan: (1) the use of alcohol or any illegal drug in the residence will be prohibited; (2) any resident who violates the prohibition on alcohol and drug use will be expelled from the residence; (3) the cost of maintaining the residence, including fees for rent and utilities, will be paid by the residents; (4) the residents will, through a majority vote, establish policies governing the conditions of the residence, including the manner in which the applications for residence are approved; and (5) the residence will house no less than six veterans.

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

Identification code 36-8128-0-7-705	1994 actual	1995 est.	1996 est.
Direct loan levels supportable by subsidy budget authority:			
1159 Total direct loan levels		70	70
Direct loan subsidy (in percent):			
1329 Weighted average subsidy rate	10.00	10.00	10.00
Direct loan subsidy budget authority:			
1339 Total subsidy budget authority	7	7	7
Direct loan subsidy outlays:			
1349 Total subsidy outlays		7	7
Administrative expense data:			
3510 Budget authority	52	54	56
3590 Outlays		54	56

**Object Classification (in thousands of dollars)**

Identification code 36-8128-0-7-705	1994 actual	1995 est.	1996 est.
25.3 Purchases of goods and services from Government accounts		54	56
41.0 Grants, subsidies, and contributions		7	7
99.9 Total obligations		61	63

**TRANSITIONAL HOUSING LOANS FINANCING ACCOUNT**

**Program and Financing (in thousands of dollars)**

Identification code 36-8126-0-8-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loans		70	70
00.02 Interest on Treasury borrowing		2	5
10.00 Total obligations		72	75
<b>Financing:</b>			
39.00 Financing authority (gross)		72	75
Financing authority:			
67.10 Authority to borrow		63	63
68.00 Spending authority from offsetting collections		16	56
68.47 Portion applied to debt reduction		-7	-44
68.90 Spending authority from offsetting collections (total)		9	12
Relation of obligations to financing disbursements:			
71.00 Total obligations		72	75
87.00 Financing disbursements (gross)		72	75

Adjustments to financing authority and financing disbursements:

Offsetting collections from:			
88.00	Payments from the Program Account	-7	-7
Non-Federal sources:			
88.40	Repayments of principal	-7	-44
88.40	Interest received on loans	-2	-5
88.90	Total, offsetting collections	-16	-56
89.00	Financing authority (net)	56	19
90.00	Financing disbursements (net)	56	19

**Status of Direct Loans (in thousands of dollars)**

Identification code 36-8126-0-8-705	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	70	70
1112	Unobligated direct loan limitation	-70	
1150	Total direct loan obligations	70	70
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		56
1231	Disbursements: Direct loan disbursements		70
1251	Repayments: Repayments and prepayments		-7
1263	Write-offs for default: Direct loans		-7
1290	Outstanding, end of year		56

**Balance Sheet (in thousands of dollars)**

Identification code 36-8126-0-8-705	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross		56	75
1405	Allowance for subsidy cost (-)		-6	-8
1499	Net present value of assets related to direct loans		50	67
1999	Total assets		50	67
<b>LIABILITIES:</b>				
2103	Federal liabilities: Debt		56	75
2999	Total liabilities		56	75
<b>NET POSITION:</b>				
3100	Appropriated capital		7	14
3300	Cumulative results of operations		-13	-22
3999	Total net position		-6	-8
4999	Total liabilities and net position		50	67

**Object Classification (in thousands of dollars)**

Identification code 36-8126-0-8-705	1994 actual	1995 est.	1996 est.
33.0	Investments and loans	70	70
43.0	Interest and dividends	2	5
99.9	Total obligations	72	75

**VETERANS BENEFITS ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**[COMPENSATION AND PENSIONS]**

**[(INCLUDING TRANSFER OF FUNDS)]**

[For the payment of compensation benefits to or on behalf of veterans as authorized by law (38 U.S.C. 107, chapters 11, 13, 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); \$17,626,892,000, to remain available until expended: *Provided*, That not to exceed \$25,750,000 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, Public Law 101–508, and in the Veterans' Benefits Act of 1992, Public Law 102–568, and in the Veterans' Benefits Act of 1992, Public Law 102–568, the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further*, That \$6,000,000 of the amount appropriated shall be transferred to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992, Public Law 102–568.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Note.—The activities formerly included in this account are proposed to be financed by three separate appropriation accounts in 1996 and are presented below in the "Compensation", "Pensions", and "Burial benefits and miscellaneous assistance" accounts. Amounts for 1994, 1995, and 1996 are shown on a comparable basis. The following table shows the distribution of the amounts (dollars in thousands) appropriated in 1994 and 1995 and requested in 1996.

Distribution of budget authority by account:	1994 actual	1995 est.	1996 est.
Compensation	14,225,703	14,414,222	14,493,708
Pensions	3,159,262	3,096,670	3,045,064
Burial benefits	106,181	110,700	111,900
Distribution of outlays by account:			
Compensation	15,098,286	14,528,850	13,495,457
Pensions	3,427,454	3,092,984	2,848,253
Burial benefits	106,181	110,700	111,900

The performance indicators presented below represent some of the most important end products of the Veterans Benefits Administration's work efforts. They include productivity, timeliness, and accuracy measures pertaining to the process of adjudicating compensation and pension claims of veterans and their survivors.

	1990 actual	1993 actual	1994 actual
Claims processing FTE	3,043	3,726	3,851
Number of C&P claims completed during year	3,563,398	3,455,467	3,417,605
Completed claims per FTE	1,171	927	887
Average days from application to completion for:			
Original compensation	151	189	213
Original pension	97	119	123
Original death pension	66	67	65
Original Dependency and Indemnity Compensation (DIC)	94	102	111
Payment accuracy rate for:			
Original compensation	N/A	95.1%	96.2%
Original pension	N/A	96.8%	95.0%
Original death pension	N/A	100.0%	99.3%
Original DIC	N/A	94.7%	94.5%
Number of C&P claims pending at year end:			
Total	377,767	528,078	448,589
> 6 months	N/A	105,616	120,839

COMPENSATION

For the payment of compensation benefits to or on behalf of veterans as authorized by law, \$14,493,708,000, to remain available until expended, of which not to exceed \$1,430,000 shall be reimbursed to "General operating expenses" for necessary expenses as authorized by chapters 51, 53, and 55 of title 38, United States Code.

For the payment, after June 30 of the current fiscal year, of compensation benefits to or on behalf of veterans as authorized by law, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary. (38 U.S.C. 107, and chapters 11, 13, and 61)

Program and Financing (in thousands of dollars)

Identification code 36–0153–0–1–701	1994 actual	1995 est.	1996 est.
Program by activities:			
Compensation:			
Veterans:			
00.01 Mexican border period	152	159	159

00.02 World War I	5,961	4,216	2,630
00.03 World War II	3,535,756	3,450,335	3,262,589
00.04 Korean conflict	1,116,235	1,125,356	1,100,926
00.05 Vietnam era	4,008,176	4,227,821	4,369,490
00.06 Peacetime service	2,123,539	2,323,145	2,455,856
00.07 Persian Gulf conflict	257,640	326,663	371,213
00.91 Total veterans	11,047,459	11,457,695	11,562,863
Survivors:			
01.01 Prior to Spanish-American War	5	6	6
01.02 Spanish-American War	262	236	209
01.03 Mexican border period	23	16	16
01.04 World War I	83,055	74,337	64,306
01.05 World War II	1,246,330	1,258,547	1,234,917
01.06 Korean conflict	359,430	371,480	372,671
01.07 Vietnam era	814,559	852,135	870,974
01.08 Peacetime service	448,400	455,967	446,315
01.09 Persian Gulf conflict	21,684	23,429	28,185
01.91 Total survivors	2,973,748	3,036,153	3,017,599
02.01 Clothing allowance	32,217	33,452	33,738
02.93 Total compensation	14,053,424	14,527,300	14,614,200
09.01 Reimbursement to GOE	8,764	2,128	1,430
09.02 Adjudication commission expenses		400	
09.91 Total other expenses	8,764	2,528	1,430
10.00 Total obligations (object class 42.0)	14,062,188	14,529,828	14,615,630

Financing:

21.40 Unobligated balance available, start of year: Treasury balance		-74,013	-237,528	-121,922
24.40 Unobligated balance available, end of year: Treasury balance		237,528	121,922	
39.00 Budget authority	14,225,703	14,414,222	14,493,708	
Budget authority:				
40.00 Appropriation	14,014,432	14,172,600	14,493,708	
42.00 Transferred from other accounts	211,271	241,622		
43.00 Appropriation (total)	14,225,703	14,414,222	14,493,708	

Relation of obligations to outlays:

71.00 Total obligations	14,062,188	14,529,828	14,615,630
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	1,071,964	35,866	36,844
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-35,866	-36,844	-1,157,017
90.00 Outlays	15,098,286	14,528,850	13,495,457

Summary of Budget Authority and Outlays

[In thousands of dollars]

Enacted/requested:			
Budget Authority	14,225,703	14,414,222	14,493,708
Outlays	15,098,286	14,528,850	13,495,457
Legislative proposal, not subject to PAYGO:			
Budget Authority			369,500
Outlays			339,300
Legislative proposal, subject to PAYGO:			
Budget Authority			-29,500
Outlays			-29,500
Total:			
Budget Authority	14,225,703	14,414,222	14,833,708
Outlays	15,098,286	14,528,850	13,805,257

This appropriation would provide for the payment of compensation benefits to veterans and survivors. Compensation is paid to veterans for disabilities incurred in or aggravated during active military service. Death 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.

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

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

**General and special funds—Continued**

*COMPENSATION—Continued*

**AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS**

	1994 actual	1995 est.	1996 est.
<b>Veterans:</b>			
Mexican border period .....	13	13	13
World War I .....	1,118	760	470
World War II .....	747,861	712,000	674,700
Korean conflict .....	196,352	192,300	187,400
Vietnam era .....	687,934	702,700	720,200
Peacetime service .....	479,360	515,198	548,188
Persian Gulf conflict .....	91,929	103,929	115,929
<b>Total .....</b>	<b>2,204,567</b>	<b>2,226,900</b>	<b>2,246,900</b>
Average payment per case, per year .....	\$5,011	\$5,145	\$5,146
Total obligations (in thousands) .....	\$11,047,459	\$11,457,695	\$11,562,863
<b>Survivors:</b>			
Prior to Spanish-American War .....	1	1	1
Spanish-American War .....	31	27	24
Mexican border period .....	3	2	2
World War I .....	8,594	7,446	6,452
World War II .....	130,580	127,620	124,857
Korean conflict .....	37,627	37,560	37,531
Vietnam era .....	82,352	83,977	85,634
Peacetime service .....	46,979	46,455	45,666
Persian Gulf conflict .....	2,069	2,171	2,611
<b>Total .....</b>	<b>308,236</b>	<b>305,259</b>	<b>302,778</b>
Average payment per case, per year .....	\$9,648	\$9,946	\$9,966
Total obligations (in thousands) .....	\$2,973,748	\$3,036,153	\$3,017,599
<b>Clothing allowance:</b>			
Number of veterans .....	67,442	68,100	68,700
Average payment per case, per year .....	\$478	\$491	\$491
Total obligations (in thousands) .....	\$32,217	\$33,452	\$33,738

*COMPENSATION*

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in thousands of dollars)**

Identification code 36-0153-2-1-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
<b>Compensation:</b>			
<b>Veterans:</b>			
00.01 Mexican border period .....			4
00.02 World War I .....			111
00.03 World War II .....			92,033
00.04 Korean conflict .....			29,047
00.05 Vietnam era .....			103,126
00.06 Peacetime .....			58,030
00.07 Persian Gulf conflict .....			10,549
00.91 Total veterans .....			292,900
<b>Survivors:</b>			
01.02 Spanish-American war .....			7
01.04 World war I .....			2,359
01.05 World War II .....			30,746
01.06 Korean conflict .....			9,381
01.07 Vietnam period .....			20,518
01.08 Peacetime .....			12,209
01.09 Persian Gulf conflict .....			280
01.91 Total survivors .....			75,500
02.01 Clothing allowance .....			1,100
02.93 Total compensation .....			369,500
09.01 Payment to general operating expenses appropriation .....			
10.00 Total obligations (object class 42.0) .....			369,500
<b>Financing:</b>			
40.00 Budget authority (appropriation) .....			369,500
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....			369,500
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....			
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....			-30,200
90.00 Outlays .....			339,300

Legislation will be proposed to provide a cost-of-living adjustment (COLA) to all compensation beneficiaries including spouses and children. This increase, effective December 1, 1995, is expected to be 3.1 percent and cost \$369.5 million in fiscal year 1996.

*COMPENSATION*

(Legislative proposal, subject to PAYGO)

**Program and Financing (in thousands of dollars)**

Identification code 36-0153-4-1-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 COLA Round down and one-half COLA DIC .....			-29,500
10.00 Total obligations (object class 42.0) .....			-29,500
<b>Financing:</b>			
40.00 Budget authority (appropriation) .....			-29,500
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....			-29,500
90.00 Outlays .....			-29,500

This legislative proposal would provide for a permanent round down of the annual COLA increase and limit the increase to one-half the COLA amount for survivors receiving benefit payments greater than new survivors entering the program. Survivors entering the program prior to a certain date receive benefits based on the grade level of the veterans which may be higher than the current flat amount paid to new entrants.

*PENSIONS*

For the payment of pension benefits to or on behalf of veterans as authorized by law, \$3,044,364,000 to remain available until expended; of which not to exceed \$22,250,000 shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses as authorized by chapters 51, 53, and 55 of title 38, United States Code; and of which such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by chapter 55 of title 38, United States Code: Provided, That \$12,000,000 previously transferred from "Compensation and Pensions" to "Medical Facilities Revolving Fund" shall be transferred to this heading.

For the payment, after June 30 of the current fiscal year, of pension benefits to or on behalf of veterans as authorized by law, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary. (38 U.S.C. chapters 15, and 61.)

**Program and Financing (in thousands of dollars)**

Identification code 36-0154-0-1-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
<b>Pensions:</b>			
<b>Veterans:</b>			
04.01 Improved law .....	2,136,465	2,134,365	2,139,641
04.02 Prior law .....	110,143	93,052	78,711
04.03 Old law .....	960	783	648
04.91 Total veterans .....	2,247,568	2,228,200	2,219,000
<b>Survivors:</b>			
05.01 Improved law .....	711,737	696,461	685,555
05.02 Prior law .....	155,692	138,524	123,449
05.03 Old law .....	3,748	3,115	2,596
05.91 Total survivors .....	871,177	838,100	811,600
06.01 Vocational training .....	786	748	514
06.93 Total pensions .....	3,119,531	3,067,048	3,031,114
<b>Other expenses:</b>			
09.01 Medical facility expenses .....	5,278	6,000	3,000
09.02 Reimbursement to GOE and VHA .....	34,453	23,622	22,250
09.91 Total other expenses .....	39,731	29,622	25,250

10.00	Total obligations (object class 42.0)	3,159,262	3,096,670	3,056,364
<b>Financing:</b>				
22.00	Unobligated balance transferred, net			-12,000
39.00	Budget authority	3,159,262	3,096,670	3,044,364
<b>Budget authority:</b>				
<b>Current:</b>				
40.00	Appropriation	3,403,614	3,343,192	3,044,364
41.00	Transferred to other accounts	-245,052	-247,222	
43.00	Appropriation (total)	3,158,562	3,095,970	3,044,364
<b>Permanent:</b>				
62.00	Transferred from other accounts	700	700	
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations	3,159,262	3,096,670	3,056,364
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	276,572	8,380	12,066
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-8,380	-12,066	-220,877
90.00	Outlays	3,427,454	3,092,984	2,847,553

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, 1996, is expected to be 3.1 percent.

**AVERAGE NUMBER OF PENSION CASES AND PAYMENTS**

	1994 actual	1995 est.	1996 est.
<b>Veterans:</b>			
Improved law	381,150	370,390	360,294
Prior law	67,199	56,742	47,971
Old law and service	941	768	635
<b>Total</b>	<b>449,290</b>	<b>427,900</b>	<b>408,900</b>
Average payment per case, per year	\$5,002	\$5,207	\$5,428
<b>Total obligations (in thousands)</b>	<b>\$2,247,568</b>	<b>\$2,228,200</b>	<b>\$2,219,700</b>
<b>Survivors:</b>			
Improved law	223,029	213,424	204,845
Prior law	159,683	114,632	125,834
Old law and service	5,753	4,744	3,921
<b>Total</b>	<b>388,465</b>	<b>332,800</b>	<b>334,600</b>
Average payment per case, per year	\$2,243	\$2,329	\$2,426
<b>Total obligations (in thousands)</b>	<b>\$871,177</b>	<b>\$838,100</b>	<b>\$811,600</b>
<b>Vocational training:</b>			
Trainees	162	150	100
Average benefit per year	\$4,852	\$4,987	\$5,140
<b>Total obligations (in thousands)</b>	<b>\$786</b>	<b>\$748</b>	<b>\$514</b>

**PENSIONS**

(Legislative proposal, subject to PAYGO)

The Administration is proposing legislation which will extend through 2000 two provisions of OBRA 1993 due to expire in 1998: (1) limit the monthly pension benefit to \$90 for beneficiaries in Medicaid funded nursing homes; and (2) enable VA to match income records with the IRS and SSA for pension beneficiaries.

**BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE**

For the payment of burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under 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, \$111,900,000, to remain available until expended. (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198.)

**Program and Financing (in thousands of dollars)**

Identification code 36-0155-0-1-701	1994 actual	1995 est.	1996 est.	
<b>Program by activities:</b>				
<b>Burial benefits:</b>				
07.01	Burial allowances	37,589	37,413	37,386
07.02	Burial plots	12,812	12,630	12,525
07.03	Service-connected deaths	10,626	11,000	11,125
07.04	Burial flags	12,583	13,239	13,949
07.05	Headstones and markers	25,334	28,017	28,195
07.06	Headstone allowances	5	5	3
07.07	Graveliners	6,158	6,435	6,742
07.91	Total burial benefits	105,107	108,739	109,925
<b>Miscellaneous assistance:</b>				
08.01	Retired officers	91	75	62
08.02	Adjusted service and dependence pay			
08.03	Special allowance dependents	862	886	913
08.04	Equal access to justice	121	1,000	1,000
08.91	Total miscellaneous assistance	1,074	1,961	1,975
10.00	Total obligations (object class 42.0)	106,181	110,700	111,900
<b>Financing:</b>				
39.00	Budget authority	106,181	110,700	111,900
<b>Budget authority:</b>				
40.00	Appropriation	108,400	111,100	111,900
41.00	Transferred to other accounts	-2,219	-400	
43.00	Appropriation (total)	106,181	110,700	111,900
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations	106,181	110,700	111,900
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	298	298	298
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-298	-298	-298
90.00	Outlays	106,181	110,700	111,900

**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 graveliners in the National cemetery system.

**NUMBER OF BURIAL BENEFITS**

	1994 actual	1995 est.	1996 est.
Burial allowance	95,124	94,000	93,200
Burial plot	85,287	84,200	83,500
Service-connected death	8,604	8,800	8,900
Burial flags	464,857	475,700	486,200
Headstone markers	300,754	330,000	324,000
Headstone allowance	52	50	30
Graveliners	39,182	40,140	41,230

**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 pursu-

**General and special funds—Continued**

*BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE—Continued*

ant 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**

	1994 actual	1995 est.	1996 est.
Retired Officers .....	8	6	5
Adjusted service and dependence pay .....			
Special allowance dependents .....	164	164	164
Equal Access to Justice payments .....	38	50	50

**READJUSTMENT BENEFITS**

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61), [**\$1,286,600,000**] **\$1,345,300,000**, to remain available until expended: *Provided*, 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, 1995.*)

**Program and Financing (in thousands of dollars)**

Identification code 36-0137-0-1-702	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
Direct program:			
Education and training:			
00.01 Sons and daughters .....	92,771	91,067	89,390
00.02 Spouses .....	9,613	9,807	10,011
00.91 Total education and training .....	102,384	100,874	99,401
Special assistance to disabled veterans:			
01.01 Vocational rehabilitation .....	265,597	296,590	309,150
01.02 Housing grants .....	14,839	14,839	14,839
01.03 Automobiles, adaptive equipment, maintenance and repair .....	24,992	26,401	27,921
01.91 Total special assistance to disabled veterans .....	305,428	337,830	351,910
02.01 Work study .....	28,043	29,407	33,758
02.02 Payments to states .....	12,000	13,000	13,000
02.03 All-volunteer Assistance: Veteran's basic benefits .....	650,539	815,453	888,112
02.93 Total direct program .....	1,098,394	1,296,564	1,386,181
Reimbursable program:			
03.01 Veterans' basic benefits .....	4,032	18,500	22,200
03.02 Veterans' supplementary benefits .....	86,867	77,900	75,200
03.03 Reservists benefits .....	117,470	133,720	147,453
03.04 Jobs program .....	63,529	8,416	
04.92 Total reimbursable .....	271,898	238,536	244,853
10.00 Total obligations .....	1,370,292	1,535,100	1,631,034
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-141,251	-59,860	-40,881
24.40 Unobligated balance available, end of year: Treasury balance .....	59,860	40,881	
25.00 Unobligated balance expiring .....		599	
39.00 Budget authority (gross) .....	1,288,901	1,516,720	1,590,153
Budget authority:			
Current:			
40.00 Appropriation .....	1,050,600	1,286,600	1,345,300
42.00 Transferred from other accounts .....	30,000		
43.00 Appropriation (total) .....	1,080,600	1,286,600	1,345,300
Permanent:			
68.00 Spending authority from offsetting collections .....	208,301	230,120	244,853
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	1,370,292	1,535,100	1,631,034
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....	45,100	84,539	24,919

74.00 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-84,539	-24,919	-65,000
87.00 Outlays (gross) .....	1,330,853	1,594,720	1,590,953
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from: Federal sources .....	-208,301	-230,120	-244,853
89.00 Budget authority (net) .....	1,080,600	1,286,600	1,345,300
90.00 Outlays (net) .....	1,122,552	1,364,600	1,346,100

**Summary of Budget Authority and Outlays**

	(In thousands of dollars)		
	1994 actual	1995 est.	1996 est.
<b>Enacted/requested:</b>			
Budget Authority .....	1,080,600	1,286,600	1,345,300
Outlays .....	1,122,552	1,364,600	1,346,100
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....			-12,547
Outlays .....			-12,547
<b>Total:</b>			
Budget Authority .....	1,080,600	1,286,600	1,332,753
Outlays .....	1,122,552	1,364,600	1,333,553

This appropriation finances educational assistance allowances for certain peacetime veterans and for eligible dependents of those veterans: (a) who died from service-connected causes or have a total and permanent rated service-connected disability; and (b) servicepersons who were captured or missing in action. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the associated approved adaptive equipment. The funding level in 1996 will be \$58.7 million more than in 1995. This is due primarily to the increases in Montgomery GI Bill (MGIB) trainees and average benefit payments.

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

**NUMBER OF TRAINEES AND COST**

	1994 actual	1995 est.	1996 est.
<b>Sons and daughters:</b>			
Number of trainees .....	35,706	35,042	34,391
Average cost per trainee .....	\$2,598	\$2,599	\$2,599
Total cost (in thousands) .....	\$92,771	\$91,067	\$89,390
<b>Spouses and widow(ers):</b>			
Number of trainees .....	4,554	4,658	4,769
Average cost per trainee .....	\$2,111	\$2,105	\$2,099
Total cost (in thousands) .....	\$9,613	\$9,807	\$10,011

*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 \$38,000, 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 \$6,500.

An allowance, up to a maximum of \$5,500, 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 a caseload and cost comparison for these beneficiaries, and reflects the supplemental request.

**CASELOAD AND AVERAGE COST DATA**

	1994 actual	1995 est.	1996 est.
<b>Vocational Rehabilitation:</b>			
Number of trainees:			
10% rated disabled .....	4,368	3,200	2,300
rehabilitated .....	998	950	900
20% rated disabled .....	12,627	14,000	15,000

rehabilitated .....	1,214	1,300	1,370
30% rated disabled .....	10,318	11,700	11,500
rehabilitated .....	1,096	1,200	1,240
40% rated disabled .....	6,016	6,800	6,800
rehabilitated .....	668	730	760
50% rated disabled .....	3,332	3,800	3,800
rehabilitated .....	346	380	390
60% rated disabled .....	2,335	2,600	2,700
rehabilitated .....	273	300	310
70% rated disabled .....	1,015	1,100	1,200
rehabilitated .....	120	130	140
80% rated disabled .....	465	500	600
rehabilitated .....	57	60	60
90% rated disabled .....	159	200	300
rehabilitated .....	21	20	20
100% rated disabled .....	3,580	4,100	4,300
rehabilitated .....	185	200	210
Total number of trainees .....	44,215	48,000	48,500
Total number rehabilitated .....	4,978	5,300	5,400
Percent of total rehabilitated .....	11.26	11.04	11.13
Average cost per trainee .....	\$6,007	\$6,179	\$6,374
Total cost (in thousands) .....	\$265,597	\$296,590	\$309,150
Housing grants:			
Number of housing grants .....	454	454	454
Average cost per grant .....	\$32,684	\$32,685	\$32,685
Total cost (in thousands) .....	\$14,839	\$14,839	\$14,839
Automobiles or other conveyances:			
Number of conveyances .....	904	904	904
Average cost per conveyance .....	\$5,421	\$5,421	\$5,421
Total cost (in thousands) .....	\$4,901	\$4,901	\$4,901
Adaptive equipment (including maintenance, repair and installation for automobiles):			
Number of items .....	9,281	9,640	10,010
Average cost .....	\$2,165	\$2,230	\$2,300
Total cost (in thousands) .....	\$20,091	\$21,500	\$23,020

**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 and receive a maximum of \$1,062.50 per semester, paid at the rate of the Federal or State minimum wage, whichever is higher.

	1994 actual	1995 est.	1996 est.
Number of participants .....	9,152	10,028	11,500

**Payments to States.**—State approving agencies are reimbursed for the costs of inspecting, approving, and supervising programs of education and training offered by educational institutions and training establishments in which veterans, dependents, and reservists are enrolled or are about to enter.

**All Volunteer Force educational assistance (Montgomery GI Bill).**—Public Law 98–525, enacted October 19, 1984, established two new peacetime educational programs: an assistance program for veterans who enter active duty during the period beginning July 1, 1985; and an assistance program for certain members of the Selected Reserve. The Readjustment benefits appropriation pays the basic benefit allowance for the peacetime veterans. Supplementary educational assistance for peacetime veterans and the basic benefit allowance for 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, and reflects the supplemental request.

CASELOAD AND AVERAGE COST DATA

Veterans:	1994 actual	1995 est.	1996 est.
Number of trainees .....	284,108	339,200	355,600
Average cost per trainee .....	\$2,610	\$2,688	\$2,771
Total cost (in thousands) .....	<sup>1</sup> \$741,438	<sup>2</sup> \$911,853	<sup>3</sup> \$985,512
Reservists:			
Number of trainees .....	103,799	109,341	115,799

Average cost per trainee .....	\$1,132	\$1,223	\$1,273
Total cost (in thousands) .....	\$117,470	\$133,720	\$147,453

<sup>1</sup>Includes \$650,539 thousand of basic benefits (VA funded), \$4,032 thousand of basic benefits (DOD funded), and \$86,867 thousand of supplemental benefits (DOD funded).

<sup>2</sup>Includes \$815,453 thousand of basic benefits (VA funded), \$18,500 thousand of basic benefits, (DOD funded) and \$77,900 thousand of supplemental benefits (DOD funded).

<sup>3</sup>Includes \$888,112 thousand of basic benefits (VA funded), \$22,200 thousand of basic benefits (DOD funded) and \$75,200 thousand of supplemental benefits (DOD funded).

**Jobs Training.**—Public Law 102–484 authorized the Department of Defense to enter into agreements with the Departments of Labor and Veterans Affairs to provide job assistance to members of the Armed Forces who are forced or induced to leave military service on or after August 2, 1990 as part of the drawdown. There is \$9 million available to fund this program until September 30, 1995.

Veterans:	1994 actual	1995 est.	1996 est.
Number of participants .....	7,749	980	
Average cost per participant .....	\$8,018	\$8,078	
Total cost (in thousands) .....	\$63,529	\$8,416	

Object Classification (in thousands of dollars)

Identification code 36–0137–0–1–702	1994 actual	1995 est.	1996 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	1,098,394	1,296,564	1,386,181
99.0 Reimbursable Obligations: Subtotal, reimbursable obligations .....	271,898	238,536	244,853
99.9 Total obligations .....	1,370,292	1,535,100	1,631,034

READJUSTMENT BENEFITS

(Legislative proposal, subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 36–0137–4–1–702	1994 actual	1995 est.	1996 est.
Program by activities:			
02.03 All-volunteer Assistance: Veteran's basic benefits .....			-12,547
10.00 Total obligations (object class 41.0) .....			-12,547
Financing:			
40.00 Budget authority (appropriation) .....			-12,547
Relation of obligations to outlays:			
71.00 Total obligations .....			-12,547
90.00 Outlays .....			-12,547

The above schedule shows the effects of the Administration's legislative proposal to maintain the MGIB COLA at 50 percent in FY 1996 and subsequent years.

REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS UNDER PUBLIC LAW 97–377

Program and Financing (in thousands of dollars)

Identification code 36–0200–0–1–701	1994 actual	1995 est.	1996 est.
Program by activities:			
Direct program:			
00.01 Benefit payments .....	21,927	20,503	19,142
00.02 Administrative expenses, VA .....	636	777	737
00.03 Administrative expenses paid to Social Security Administration .....	15	20	21
00.91 Total direct program .....	22,578	21,300	19,900
01.01 Return of overpayment .....	6,122	1,400	
10.00 Total obligations .....	28,700	22,700	19,900
Financing:			
68.00 Budget authority (gross): Spending authority from off-setting collections .....	28,700	22,700	19,900

**General and special funds—Continued**

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

**Program and Financing (in thousands of dollars)—Continued**

Identification code 36-0200-0-1-701	1994 actual	1995 est.	1996 est.
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	28,700	22,700	19,900
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....	13,409	19,228	13,128
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....	-19,228	-13,128	-11,728
87.00 Outlays (gross) .....	22,881	28,800	21,300
<b>Adjustments to gross budget authority and outlays:</b>			
88.00 Offsetting collections from: Federal sources .....	-28,700	-22,700	-19,900
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....	-5,819	6,100	1,400

In accordance with Public Law 97-377, this program restores social security benefits to certain surviving spouses or children of veterans who died of service-connected causes. Financing is provided in the form of offsetting collections from the Department of Defense.

**CASELOAD AND AVERAGE COST DATA**

	1994 actual	1995 est.	1996 est.
Spouses .....	585	540	500
Average benefit .....	\$8,989	\$9,496	\$10,032
Obligations (in thousands) .....	\$5,259	\$5,128	\$5,016
Children .....	2,097	1,850	1,640
Average benefit .....	\$7,949	\$8,311	\$8,613
Obligations (in thousands) .....	\$16,668	\$15,375	\$14,126

**Object Classification (in thousands of dollars)**

Identification code 36-0200-0-1-701	1994 actual	1995 est.	1996 est.
25.2 Other services .....	651	797	758
42.0 Insurance claims and indemnities .....	21,927	20,503	19,142
44.0 Refunds .....	6,122	1,400	
99.9 Total obligations .....	28,700	22,700	19,900

**VETERANS JOB TRAINING**

**Program and Financing (in thousands of dollars)**

Identification code 36-0103-0-1-702	1994 actual	1995 est.	1996 est.
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....		-6	
24.40 Unobligated balance available, end of year: Treasury balance .....	6		
25.00 Unobligated balance expiring .....		6	
68.00 Budget authority (gross): Spending authority from offsetting collections .....	6		
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....			
87.00 Outlays (gross) .....			
<b>Adjustments to gross budget authority and outlays:</b>			
Offsetting collections from:			
Non-Federal sources:			
88.40 Interest on loans .....	-16	-20	-20
88.40 Premiums .....	-259	-239	-221
88.40 Repayments of loans .....	-58	-54	-51
88.40 Repayments of liens .....	-1		
88.40 VMLI premiums .....	-2,132	-2,056	-1,991
88.40 Other non-Federal sources .....	-6	-6	-6
88.90 Total, offsetting collections .....	-2,472	-2,375	-2,289
89.00 Budget authority (net) .....	15,370	24,760	24,890
90.00 Outlays (net) .....	14,554	26,040	25,140

Eligibility for this program terminated March 31, 1990.

**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 law (38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487), **[\$24,760,000] \$24,890,000**, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

**Program and Financing (in thousands of dollars)**

Identification code 36-0120-0-1-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
Operating expenses: Military and naval insurance:			
00.01 Payment to U.S. Government life insurance fund .....	6	5	4
00.02 Direct payments to policyholders and beneficiaries .....	10	8	6
00.03 Payment to national service life insurance fund .....	1,876	1,690	1,490
00.04 Direct payments to policyholders and beneficiaries .....	767	743	695
00.05 Payment to service-disabled veterans insurance fund .....	6,988	18,350	17,610
00.06 VMLI death claims .....	7,561	7,580	7,590
00.91 Total operating expenses .....	17,208	28,376	27,395
01.01 Capital investment: Policy loans .....	31	37	34
10.00 Total obligations .....	17,239	28,413	27,429
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-925	-1,528	-250
24.40 Unobligated balance available, end of year: Treasury balance .....	1,528	250	
39.00 Budget authority (gross) .....	17,842	27,135	27,179
<b>Budget authority:</b>			
Current:			
40.00 Appropriation .....	15,370	24,760	24,890
Permanent:			
68.00 Spending authority from offsetting collections .....	2,472	2,375	2,289
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	17,239	28,413	27,429
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....	309	522	520
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....	-522	-520	-520
87.00 Outlays (gross) .....	17,026	28,415	27,429
<b>Adjustments to gross budget authority and outlays:</b>			
Offsetting collections from:			
Non-Federal sources:			
88.40 Interest on loans .....	-16	-20	-20
88.40 Premiums .....	-259	-239	-221
88.40 Repayments of loans .....	-58	-54	-51
88.40 Repayments of liens .....	-1		
88.40 VMLI premiums .....	-2,132	-2,056	-1,991
88.40 Other non-Federal sources .....	-6	-6	-6
88.90 Total, offsetting collections .....	-2,472	-2,375	-2,289
89.00 Budget authority (net) .....	15,370	24,760	24,890
90.00 Outlays (net) .....	14,554	26,040	25,140

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

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

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

Payments are also made to policyholders and beneficiaries on nonparticipating national service life insurance policies is-

sued to World War II veterans with service-connected disabilities.

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

The general decline in the number of policies and the amount of insurance in force is expected to continue in 1996 as indicated in the following table (dollars in thousands).

National service life insurance policies:	1994 actual	1995 est.	1996 est.
Number of policies .....	1,822	1,696	1,581
Amount of insurance .....	\$9,336	\$8,673	\$8,053
<b>VMLI policies:</b>			
Number of policies .....	4,180	4,111	3,971
Amount of insurance .....	\$222,066	\$225,000	\$221,000

**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 thousands of dollars)		1994 actual	1995 est.	1996 est.
Identification code 36-0120-0-1-701				
33.0	Investments and loans .....	31	37	34
41.0	Grants, subsidies, and contributions .....	8,870	20,045	19,104
42.0	Insurance claims and indemnities .....	8,338	8,331	8,291
99.9	Total obligations .....	17,239	28,413	27,429

**Public enterprise funds:**

**SERVICE-DISABLED VETERANS INSURANCE FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-4012-0-3-701		1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>				
Operating expenses:				
00.01	Death claims .....	34,739	36,410	38,040
00.02	All other .....	7,555	7,630	9,280
00.91	Total operating expenses .....	42,294	44,040	47,320
Capital investment:				
01.01	Policy loans .....	6,884	6,710	6,270
01.02	Policy liens .....	311	200	200
01.91	Total capital investment .....	7,195	6,910	6,470
10.00	Total obligations .....	49,489	50,950	53,790
<b>Financing:</b>				
21.90	Unobligated balance available, start of year: Fund balance .....	-17,466	-7,604	-8,021
24.90	Unobligated balance available, end of year: Fund balance .....	7,604	8,021	5,000
68.00	Budget authority (gross): Spending authority from offsetting collections .....	39,627	51,367	50,769
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations .....	49,489	50,950	53,790
72.90	Obligated balance, start of year: Fund balance .....	3,623	2,912	3,795
74.90	Obligated balance, end of year: Fund balance .....	-2,912	-3,795	-3,566
87.00	Outlays (gross) .....	50,200	50,067	54,019
<b>Adjustments to gross budget authority and outlays:</b>				
Offsetting collections from:				
88.00	Federal sources: Payments from VI and I .....	-6,988	-18,350	-17,610
Non-Federal sources:				
88.40	Interest on loans .....	-1,843	-1,530	-1,930
88.40	Insurance premiums earned .....	-23,220	-24,260	-24,250
88.40	Optional settlements .....	-578	-577	-589
88.40	Repayments of loans .....	-6,860	-6,510	-6,250
88.40	Repayments of liens .....	-138	-140	-140
88.90	Total, offsetting collections .....	-39,627	-51,367	-50,769

89.00	Budget authority (net) .....			
90.00	Outlays (net) .....	10,573	-1,300	3,250

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 (dollars in thousands):

	1994 actual	1995 est.	1996 est.
Number of policies .....	169,097	168,676	168,215
Insurance in force .....	1,543,830	1,550,800	1,556,200

**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 \$486 million by September 30, 1996.

**Statement of Operations (in thousands of dollars)**

Identification code 36-4012-0-3-701		1993 actual	1994 actual	1995 est.	1996 est.
0101	Revenue .....	49,731	42,863	55,387	55,019
0102	Expense .....	-111,081	-66,009	-67,677	-68,410
0109	Net income or loss (-) .....	-61,350	-23,146	-12,290	-13,391

**Balance Sheet (in thousands of dollars)**

Identification code 36-4012-0-3-701		1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	21,090	10,516	11,816	8,566
1206	Non-Federal assets: Receivables, net .....	2,163	2,043	1,989	2,369
1601	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	40,267	40,292	40,491	40,511
1999	Total assets .....	63,520	52,851	54,296	51,446
<b>LIABILITIES:</b>					
2101	Federal liabilities: Accounts payable .....				
Non-Federal liabilities:					
2201	Accounts payable .....	3,827	2,809	3,485	3,576
2206	Pension and other actuarial liabilities .....	495,191	508,673	521,640	532,090
2207	Other .....	1,279	1,297	1,390	1,390
2999	Total liabilities .....	500,297	512,779	526,515	537,056
<b>NET POSITION:</b>					
3100	Appropriated capital .....	17,466	7,604	8,021	5,000
3200	Invested capital .....	-454,243	-467,533	-480,240	-490,610
3999	Total net position .....	-436,777	-459,929	-472,219	-485,610
4999	Total liabilities and net position .....	63,520	52,850	54,296	51,446

**Public enterprise funds—Continued****SERVICE-DISABLED VETERANS INSURANCE FUND—Continued**

## Object Classification (in thousands of dollars)

Identification code 36-4012-0-3-701	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....	7,195	6,910	6,470
42.0 Insurance claims and indemnities .....	42,294	44,040	47,320
99.9 Total obligations .....	49,489	50,950	53,790

**VETERANS REOPENED INSURANCE FUND**

## Program and Financing (in thousands of dollars)

Identification code 36-4010-0-3-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
Operating expenses:			
00.01 Death claims .....	27,380	32,110	34,940
00.02 Dividends .....	32,295	31,900	30,680
00.03 All other .....	8,012	8,390	8,350
00.91 Total operating expenses .....	67,687	72,400	73,970
Capital investment:			
01.01 Policy loans .....	5,060	5,040	4,730
01.02 Policy liens .....	8	10	10
01.91 Total capital investment .....	5,068	5,050	4,740
10.00 Total obligations .....	72,755	77,450	78,710
<b>Financing:</b>			
Unobligated balance available, start of year:			
21.90 Treasury balance .....	-302	-743	-500
21.91 U.S. Securities: Par value .....	-499,223	-500,253	-496,876
Unobligated balance available, end of year:			
24.90 Treasury balance .....	743	500	500
24.91 U.S. Securities: Par value .....	500,253	496,876	489,466
68.00 Budget authority (gross): Spending authority from offsetting collections .....	74,226	73,830	71,300
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	72,755	77,450	78,710
72.91 Obligated balance, start of year: U.S. Securities: Par value .....	19,204	23,514	27,924
74.91 Obligated balance, end of year: U.S. Securities: Par value .....	-23,514	-27,924	-31,194
87.00 Outlays (gross) .....	68,445	73,040	75,440
<b>Adjustments to gross budget authority and outlays:</b>			
Offsetting collections from:			
88.00 Federal sources: Interest on U.S. securities .....	-49,409	-49,720	-47,570
Non-Federal sources:			
88.40 Interest on loans .....	-1,153	-1,140	-1,480
88.40 Insurance premiums earned .....	-18,312	-17,670	-16,980
88.40 Optional settlements .....	-375	-310	-270
88.40 Repayments of loans .....	-4,960	-4,980	-4,990
88.40 Repayments of liens .....	-17	-10	-10
88.90 Total, offsetting collections .....	-74,226	-73,830	-71,300
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....	-5,781	-790	4,140

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

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

The following table reflects the decrease in the number of policies and the amount of insurance in force (dollars in thousands):

	1994 actual	1995 est.	1996 est.
Number of policies .....	106,110	102,100	97,640
Insurance in force .....	\$788,953	\$769,800	\$748,600

**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.

## Statement of Operations (in thousands of dollars)

Identification code 36-4010-0-3-701	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue .....	73,459	70,554	70,100	67,510
0102 Expense .....	-73,385	-71,706	-71,110	-68,570
0109 Net income or loss (-) .....	74	-1,152	-1,010	-1,060

## Balance Sheet (in thousands of dollars)

Identification code 36-4010-0-3-701	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	303	743	500	500
Investments in US securities:				
1102 Treasury securities, par ..	518,406	523,768	524,800	520,660
1106 Receivables, net .....	13,569	12,471	12,070	11,490
1206 Non-Federal assets: Receivables, net .....	1,146	1,012	643	835
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	24,134	24,234	24,294	24,034
1999 Total assets .....	557,558	562,228	562,307	557,519
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	31,035	34,386	37,550	40,560
2206 Pension and other actuarial liabilities .....	505,533	508,247	505,697	499,087
2207 Other .....	2,857	2,596	3,070	2,942
2999 Total liabilities .....	539,425	545,229	546,317	542,589
<b>NET POSITION:</b>				
3100 Appropriated capital .....	499,506	500,996	497,376	489,966
3200 Invested capital .....	-481,374	-483,997	-481,386	-475,036
3999 Total net position .....	18,132	16,999	15,990	14,930
4999 Total liabilities and net position .....	557,557	562,228	562,307	557,519

## Object Classification (in thousands of dollars)

Identification code 36-4010-0-3-701	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....	5,068	5,050	4,740
42.0 Insurance claims and indemnities .....	32,624	37,560	40,120
43.0 Interest and dividends .....	35,063	34,840	33,850
99.9 Total obligations .....	72,755	77,450	78,710

SERVICEMEN'S GROUP LIFE INSURANCE FUND

Program and Financing (in thousands of dollars)				
Identification code 36-4009-0-3-701	1994 actual	1995 est.	1996 est.	
<b>Program by activities:</b>				
00.01 Premium payments	528,102	488,270	438,800	
00.02 Payment to General operating expenses appropriation	423	530	420	
10.00 Total obligations (object class 41.0)	528,525	488,800	439,220	
<b>Financing:</b>				
21.91 Unobligated balance available, start of year: U.S. Securities: Par value	-152,622	-42,461	-3,221	
24.91 Unobligated balance available, end of year: U.S. Securities: Par value	42,461	3,221	3,501	
68.00 Budget authority (gross): Spending authority from offsetting collections	418,364	449,560	439,500	
<b>Relation of obligations to outlays:</b>				
71.00 Total obligations	528,525	488,800	439,220	
72.10 Obligated balance, start of year: Receivables from other government accounts	-1,817	-1,567	-57	
74.10 Obligated balance, end of year: Receivables from other government accounts	1,567	57	67	
87.00 Outlays (gross)	528,275	487,290	439,230	
<b>Adjustments to gross budget authority and outlays:</b>				
Offsetting collections from:				
88.00 Federal sources: Interest on securities	-4,162	-260	-280	
88.40 Non-Federal sources: Withholdings from serviceman's pay	-414,202	-449,300	-439,220	
88.90 Total, offsetting collections	-418,364	-449,560	-439,500	
89.00 Budget authority (net)				
90.00 Outlays (net)	109,911	37,730	-270	

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

Statement of Operations (in thousands of dollars)

Identification code 36-4009-0-3-701	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	395,422	418,364	449,560	439,500
0102 Expense	-444,929	-528,525	-488,800	-439,220
0109 Net income or loss (-)	-49,507	-110,161	-39,240	280

**Credit accounts:**

GUARANTY AND INDEMNITY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the purpose of 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.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, **[\$65,226,000]** \$78,085,000, 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 Appropriation Act, 1995.*)

Unavailable Collections (in thousands of dollars)

Identification code 36-1119-0-1-704	1994 actual	1995 est.	1996 est.	
Balance, start of year:				
01.99 Balance, start of year	1,224			
Receipts:				
02.01 GIF direct loans, downward reestimate of subsidies	-1,224			

Program and Financing (in thousands of dollars)

Identification code 36-1119-0-1-704	1994 actual	1995 est.	1996 est.	
<b>Program by activities:</b>				
00.01 Direct loan subsidy	5,349	8,343	15,291	
00.02 Guaranteed loan subsidy	596,473	323,296	488,831	
00.03 Reestimates of direct loan subsidy		7,190		
00.04 Interest on reestimates of direct loan subsidy		1,080		
00.05 Reestimate of guaranteed loan subsidy	8,376	289,868		
00.07 Interest on reestimates of guaranteed loan subsidy	1,138	53,382		
00.09 Administrative expenses	56,330	65,226	78,085	
10.00 Total obligations (object class 41.0)	667,666	748,385	582,207	
<b>Financing:</b>				
39.00 Budget authority (gross)	667,666	748,385	582,207	
<b>Budget authority:</b>				
Current:				
40.00 Appropriation	56,231	65,226	78,085	
40.05 Appropriation (indefinite)	141,405	507,095	504,122	
42.00 Transferred from other accounts	99			
43.00 Appropriation (total)	197,735	572,321	582,207	
Permanent:				
68.00 Spending authority from offsetting collections	469,931	176,064		
<b>Relation of obligations to outlays:</b>				
71.00 Total obligations	667,666	748,385	582,207	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance		708		
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-708			
87.00 Outlays (gross)	666,958	749,093	582,207	
<b>Adjustments to gross budget authority and outlays:</b>				
88.00 Offsetting collections from: Federal sources	-469,931	-176,064		
89.00 Budget authority (net)	197,735	572,321	582,207	
90.00 Outlays (net)	197,027	573,029	582,207	

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

Identification code 36-1119-0-1-704	1994 actual	1995 est.	1996 est.	
<b>Direct loan levels supportable by subsidy budget authority:</b>				
1159 Total direct loan levels	376,675	787,118	1,047,299	
Direct loan subsidy (in percent):				
1329 Weighted average subsidy rate	1.42	1.06	1.46	
Direct loan subsidy budget authority:				
1339 Total subsidy budget authority	5,349	16,613	15,291	
Direct loan subsidy outlays:				
1349 Total subsidy outlays	5,349	16,613	15,291	
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>				
2159 Total loan guarantee levels	43,858,323	27,397,993	31,335,303	
Guaranteed loan subsidy (in percent):				
2329 Weighted average subsidy rate	0.98	1.18	1.58	
Guaranteed loan subsidy budget authority:				
2339 Total subsidy budget authority	605,987	666,546	488,831	
Guaranteed loan subsidy outlays:				
2349 Total subsidy outlays	605,987	666,546	488,831	
<b>Administrative expense data:</b>				
3510 Budget authority	56,330	65,226	78,085	
3590 Outlays	55,622	65,226	78,085	

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 present value basis.

The Guaranty and Indemnity Fund was established to replace the Loan Guaranty Revolving Fund with respect to loans closed after December 31, 1989. The following Federal

**Credit accounts—Continued**

**GUARANTY AND INDEMNITY PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

guaranty protects lenders against 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.

The Administration is proposing legislation which will extend through 2000 three provisions of OBRA 1993 due to expire in 1998: (1) the loan origination fee increase of .75 percent; (2) the three-percent fee for multiple home loans with less than five percent down; and (3) the current law on resale losses on loans.

**Object Classification (in thousands of dollars)**

Identification code 36-1119-0-1-704	1994 actual	1995 est.	1996 est.
25.3 Purchases of goods and services from Government accounts	56,330	65,226	78,085
41.0 Grants, subsidies, and contributions	611,336	683,159	504,122
99.9 Total obligations	667,666	748,385	582,207

**GUARANTY AND INDEMNITY DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in thousands of dollars)**

Identification code 36-4127-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loans	376,675	787,118	1,047,299
00.02 Interest on Treasury borrowing	8,567	18,531	34,315
00.03 Property sales expense	12	77	181
00.04 Property management expense	24	92	192
00.05 Property improvement and other expenses	152	108	252
00.06 Payment of downward reestimate to program account	11,446		
00.07 Payment of excess interest earned to program account	1,021		
10.00 Total obligations	397,897	805,926	1,082,239
<b>Financing:</b>			
39.00 Financing authority (gross)	397,897	805,926	1,082,239
<b>Financing authority:</b>			
67.15 Authority to borrow (indefinite)	383,793	770,505	1,032,008
68.00 Spending authority from offsetting collections	298,915	602,321	870,950
68.47 Portion applied to debt reduction	-284,811	-566,900	-820,719
68.90 Spending authority from offsetting collections (total)	14,104	35,421	50,231
<b>Relation of obligations to financing disbursements:</b>			
71.00 Total obligations	397,897	805,926	1,082,239
72.90 Obligated balance, start of year: Fund balance	395	40,954	40,954
74.90 Obligated balance, end of year: Fund balance	-40,954	-40,954	-54,995
87.00 Financing disbursements (gross)	357,338	805,926	1,068,198
<b>Adjustments to financing authority and financing disbursements:</b>			
<b>Offsetting collections from:</b>			
88.00 Federal sources: Payments from program account	-5,349	-16,613	-15,291
<b>Non-Federal sources:</b>			
88.40 Repayments of principal	-1,632	-2,802	-5,685
88.40 Interest received on loans	-8,327	-13,830	-28,894
88.40 Fees	-2,978	-7,718	-10,265
88.40 Loan sale proceeds, net	-282,550	-535,391	-773,216
88.40 Cash sale of properties	29	-2,118	-5,880
88.40 Other revenue	1,892	-23,849	-31,719
88.90 Total, offsetting collections	-298,915	-602,321	-870,950
89.00 Financing authority (net)	98,982	203,605	211,289
90.00 Financing disbursements (net)	58,423	203,605	197,248

**Status of Direct Loans (in thousands of dollars)**

Identification code 36-4127-0-3-704	1994 actual	1995 est.	1996 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	376,675	787,118	1,047,299
1150 Total direct loan obligations	376,675	787,118	1,047,299
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	55,084	149,907	365,240
1231 Disbursements: Direct loan disbursements	357,338	787,118	1,047,299
<b>Repayments:</b>			
1251 Repayments and prepayments	-9,614	-2,802	-5,685
1253 Proceeds from loan asset sales to the public with recourse	-303,039	-535,391	-773,216
1262 Adjustments: Discount on loan asset sales to the public or discounted	20,460	-29,888	-45,261
<b>Write-offs for default:</b>			
1263 Direct loans	-1,361	-3,704	-9,024
1264 Other adjustments, net	31,039		
1290 Outstanding, end of year	149,907	365,240	579,353

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 thousands of dollars)**

Identification code 36-4127-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	53,777	93,141		
1206 Non-Federal assets: Receivables, net	1,158	2,762		
<b>Net value of assets related to post-1991 direct loans receivable:</b>				
1401 Direct loans receivable, gross	29,060	126,239	307,574	487,882
1499 Net present value of assets related to direct loans	29,060	126,239	307,574	487,882
1999 Total assets	83,995	222,142	307,574	487,882
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2102 Interest payable		39,744	18,531	34,315
2104 Resources payable to Treasury	83,417	181,199	441,481	700,288
<b>Non-Federal liabilities:</b>				
2201 Accounts payable	622	1,218	2,968	4,708
2207 Other	-44	-19		
2999 Total liabilities	83,995	222,142	462,980	739,311
<b>NET POSITION:</b>				
3100 Appropriated capital			-155,406	-251,429
3999 Total net position			-155,406	-251,429
4999 Total liabilities and net position	83,995	222,142	307,574	487,882

**Object Classification (in thousands of dollars)**

Identification code 36-4127-0-3-704	1994 actual	1995 est.	1996 est.
33.0 Investments and loans	389,330	787,395	1,047,924
43.0 Interest and dividends	8,567	18,531	34,315
99.9 Total obligations	397,897	805,926	1,082,239

GUARANTY AND INDEMNITY GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 36-4129-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Acquisition of homes .....	165,379	947,694	1,328,004
00.02 Losses on defaulted loans .....	36,917	237,722	325,549
00.03 Property sales expense .....	5,089	41,809	71,779
00.04 Property management expense .....	3,087	13,239	24,487
00.05 Property improvement expense .....	2,138	8,645	13,101
00.06 Loans acquired .....	16,373	3,066	13,219
00.07 Payment of downward reestimate to program account .....	432,284	166,662	.....
00.08 Payment of excess interest to program account .....	23,956	9,402	.....
00.09 Other expenses .....	758	.....	.....
10.00 Total obligations (object class 33.0) .....	685,981	1,428,239	1,776,139
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance .....	-2,129,650	-2,853,755	-3,353,981
24.90 Unobligated balance available, end of year: Fund balance .....	2,853,755	3,353,981	3,884,055
68.00 Financing authority (gross): Spending authority from offsetting collections .....	1,410,086	1,928,465	2,306,213
<b>Relation of obligations to financing disbursements:</b>			
71.00 Total obligations .....	685,981	1,428,239	1,776,139
72.90 Obligated balance, start of year: Fund balance .....	2,677	12,446	25,913
74.90 Obligated balance, end of year: Fund balance .....	-12,446	-25,913	-32,225
87.00 Financing disbursements (gross) .....	676,212	1,414,772	1,769,827
<b>Adjustments to financing authority and financing disbursements:</b>			
Offsetting collections from:			
Federal sources:			
88.00 Payments from program account .....	-605,987	-666,546	-488,831
88.00 Recoveries from direct loans conveyed to the direct loan financing account .....	-16,373	-472,225	-828,512
88.25 Interest on uninvested funds .....	-163,261	-147,210	-186,375
Non-Federal sources:			
88.40 Funding fees .....	-610,871	-506,376	-581,201
88.40 Cash sale of properties .....	-10,329	-128,116	-210,122
88.40 Other collections .....	-3,265	-7,992	-11,172
88.90 Total, offsetting collections .....	-1,410,086	-1,928,465	-2,306,213
89.00 Financing authority (net) .....	.....	.....	.....
90.00 Financing disbursements (net) .....	-733,874	-513,693	-536,386

Status of Guaranteed Loans (in thousands of dollars)

Identification code 36-4129-0-3-704	1994 actual	1995 est.	1996 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2131 Guaranteed loan commitments exempt from limitation .....	43,858,323	27,397,993	31,335,303
2150 Total guaranteed loan commitments .....	43,858,323	27,397,993	31,335,303
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	56,104,520	98,695,820	123,008,162
2231 Disbursements of new guaranteed loans .....	43,858,323	27,397,993	31,335,303
2251 Repayments and prepayments .....	-1,107,329	-1,947,949	-2,427,799
<b>Adjustments:</b>			
2261 Terminations for default that result in loans receivable .....	-36,917	-237,722	-325,549
2262 Terminations for default that result in acquisition of property .....	-165,379	-947,694	-1,328,004
2263 Terminations for default that result in claim payments .....	42,602	47,714	53,440
2290 Outstanding, end of year .....	98,695,820	123,008,162	150,315,553
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	37,633,826	.....	.....
<b>Addendum:</b>			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	4,386	22,024	121,832

2331 Disbursements for guaranteed loan claims	42,602	237,722	325,549
2351 Repayments of loans receivable .....	-354	-1,777	-9,834
2361 Write-offs of loans receivable .....	-24,610	-136,137	-230,905
2390 Outstanding, end of year .....	22,024	121,832	206,642

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.

Balance Sheet (in thousands of dollars)

Identification code 36-4129-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	769,551	2,865,975	.....	.....
Net value of assets related to post-1991 direct loans receivable:				
1401 Accounts receivable, net .....	4,387	1	.....	.....
1403 Accounts receivable from foreclosed property .....	1,362,878	120,598	164,932	197,239
1499 Net present value of assets related to direct loans .....	1,367,265	120,599	164,932	197,239
1803 Other Federal assets: Property, plant and equipment, net .....	15,329	.....	.....	.....
1999 Total assets .....	2,152,145	2,986,574	164,932	197,239
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	2,675	.....	.....	.....
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	2,149,470	2,986,574	888,834	1,919,021
2999 Total liabilities .....	2,152,145	2,986,574	888,834	1,919,021
<b>NET POSITION:</b>				
3100 Appropriated capital .....	.....	.....	-721,901	-1,721,781
3999 Total net position .....	.....	.....	-721,901	-1,721,781
4999 Total liabilities and net position .....	2,152,145	2,986,574	166,933	197,240

GUARANTY AND INDEMNITY FUND LIQUIDATING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 36-4023-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
Capital investment:			
00.01 Acquisition of homes .....	321,003	200,174	167,600
00.02 Property improvements .....	6,773	4,223	3,536
00.04 Cash advances .....	4,592	3,444	2,583
00.05 Acquisition of defaulted guaranteed loans .....	15,552	12,249	7,570
00.91 Total capital investment .....	347,920	220,090	181,289
Operating expenses:			
01.01 Property management expense .....	10,962	9,548	6,450
Claims-Individual Homes:			
01.02 Sales expense .....	18,448	16,640	11,613
01.03 Claims-Individual Homes .....	133,409	84,407	70,672
01.91 Total operating expenses .....	162,819	110,595	88,735
02.93 Claims-Individual Homes .....	510,739	330,685	270,024
10.00 Total obligations .....	510,739	330,685	270,024
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Treasury balance .....	-352,314	-250,898	-284,766
24.90 Unobligated balance available, end of year: Fund balance .....	250,898	284,766	268,381
68.00 Budget authority (gross): Spending authority from offsetting collections .....	409,323	364,553	253,639

**Credit accounts—Continued**

**GUARANTY AND INDEMNITY FUND LIQUIDATING ACCOUNT—  
Continued**

**Program and Financing (in thousands of dollars)—Continued**

Identification code 36-4023-0-3-704	1994 actual	1995 est.	1996 est.
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	510,739	330,685	270,024
72.90 Obligated balance, start of year: Fund balance .....	21,882	41,256	26,712
74.90 Obligated balance, end of year: Fund balance .....	-41,256	-26,712	-21,812
87.00 Outlays (gross) .....	491,365	345,229	274,924
<b>Adjustments to gross budget authority and outlays:</b>			
Offsetting collections from:			
88.00 Federal Sources: Payments from Direct Loan Financing Account .....	-360,302	-314,893	-218,787
Non-Federal sources:			
88.40 Loan and other repayments .....	1,639	1,016	630
88.40 Sale of homes, cash .....	-43,528	-46,524	-32,467
88.40 Interest on loans .....	-1,711	-1,061	-658
88.40 Sale of Loans, Net .....	-1,361		
88.40 Collection of claims (veteran indebtedness) .....	-3,549	-2,662	-1,997
88.40 Other revenue .....	-511	-429	-360
88.90 Total, offsetting collections .....	-409,323	-364,553	-253,639
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....	82,042	-19,324	21,285

**Status of Direct Loans (in thousands of dollars)**

Identification code 36-4023-0-3-704	1994 actual	1995 est.	1996 est.
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	20,138	22,232	13,440
1231 Disbursements: Direct loan disbursements .....	19,198		
<b>Repayments:</b>			
1251 Repayments and prepayments .....	-263	-1,016	-630
1252 Proceeds from loan asset sales to the public or discounted .....	-1,523		
<b>Adjustments:</b>			
1261 Capitalized interest .....	72		
1262 Discount on loan asset sales to the public or discounted .....	162		
1264 Write-offs for default: Other adjustments, net .....	-15,552	-7,776	-3,888
1290 Outstanding, end of year .....	22,232	13,440	8,922

**Status of Guaranteed Loans (in thousands of dollars)**

Identification code 36-4023-0-3-704	1994 actual	1995 est.	1996 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	18,870,213	17,665,800	16,679,985
2251 Repayments and prepayments .....	-748,954	-701,234	-662,107
<b>Adjustments:</b>			
2261 Terminations for default that result in loans receivable .....	-133,409	-84,407	-70,672
2262 Terminations for default that result in acquisition of property .....	-321,003	-200,174	-167,600
2263 Terminations for default that result in claim payments .....	-1,047		
2290 Outstanding, end of year .....	17,665,800	16,679,985	15,779,606
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	6,578,846	6,211,766	5,876,499

**Addendum:**

Identification code 36-4023-0-3-704	1994 actual	1995 est.	1996 est.
<b>Cumulative balance of defaulted guaranteed loans that result in loans receivable:</b>			
2310 Outstanding, start of year .....	32,492	39,738	46,427
2331 Disbursements for guaranteed loan claims .....	135,183	114,906	97,670
2351 Repayments of loans receivable .....	-3,755	-2,662	-1,997
2361 Write-offs of loans receivable .....	-124,182	-105,555	-89,721
2390 Outstanding, end of year .....	39,738	46,427	52,379

As required by section 502 of the Congressional Budget Act of 1974, this account records all cash flows to and from the Government resulting from direct loans obligated and loan

guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Budget program—**

**Acquisition of homes.—**

	1994 actual	1995 est.	1996 est.
Number of property acquisitions processed .....	4,426	2,687	2,185
Average amount per acquisition .....	\$72,527	\$74,485	\$76,720
Total obligations (in thousands) .....	\$321,003	\$200,174	\$167,600

**Property improvements.—**

	1994 actual	1995 est.	1996 est.
Number of properties improved .....	4,426	2,687	2,185
Average amount per property .....	\$1,530	\$1,571	\$1,618
Total obligations (in thousands) .....	\$6,773	\$4,223	\$3,536

**Cash advances—**

**Vendee loans.—**Small cash advances are occasionally made to borrowers to cover taxes, hazard insurance, and necessary repairs. These amounts are added to the loan balance.

	1994 actual	1995 est.	1996 est.
Total obligations (in thousands) .....	\$4,592	\$3,444	\$2,583

**Property management expense.—**Property management expenses include all the costs of ownership of acquired properties except capitalized expenditures made incident to the acquisition and rehabilitation of properties.

	1994 actual	1995 est.	1996 est.
Average number of properties .....	2,035	1,726	1,132
Average amount per property .....	\$5,387	\$5,532	\$5,698
Total obligations (in thousands) .....	\$10,962	\$9,548	\$6,450

**Property sales expense.—**Sales expense includes brokers' fees and advertising costs incident to the sale of properties owned by VA.

	1994 actual	1995 est.	1996 est.
Number of sales .....	4,092	3,594	2,435
Average amount per sale .....	\$4,508	\$4,630	\$4,769
Total obligations (in thousands) .....	\$18,448	\$16,640	\$11,613

**Loss on defaulted guaranteed loans.—**These payments are made to lenders in accordance with the VA guaranty contract. In most home loan cases, they represent the difference between the amount owed by the veteran on a defaulted loan and the value of the foreclosed property as established by VA.

	1994 actual	1995 est.	1996 est.
<b>Individual homes:</b>			
Number of claims .....	5,014	3,089	2,511
Average amount per payment .....	\$26,607	\$27,325	\$28,145
Total obligations (in thousands) .....	\$133,409	\$84,407	\$70,672

**Statement of Operations (in thousands of dollars)**

Identification code 36-4023-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue .....	250,092	347,306	277,845	222,276
0102 Expense .....	-289,855	-402,613	-322,090	-257,672
0109 Net income or loss (-) .....	-39,763	-55,307	-44,245	-35,396

**Balance Sheet (in thousands of dollars)**

Identification code 36-4023-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	366,278	273,119	284,766	268,381
<b>Non-Federal assets:</b>				
1206 Receivables, net .....	31,429	-219		
1207 Advances and prepayments .....	31	60		
<b>Net value of assets related to post-1991 direct loans receivable:</b>				
1402 Interest receivable .....	7,918	247	1,061	658

1403	Accounts receivable from foreclosed property .....	47,016	23,060	84,407	70,672
1499	Net present value of assets related to direct loans .....	54,934	23,307	85,468	71,330
1803	Other Federal assets: Property, plant and equipment, net ...	62,958	170,361	98,626	78,000
1999	Total assets .....	515,630	466,628	468,860	417,711
LIABILITIES:					
2105	Federal liabilities: Other .....		856		
2201	Non-Federal liabilities: Accounts payable .....	15,439	20,942	17,801	15,131
2999	Total liabilities .....	15,439	21,798	17,801	15,131
NET POSITION:					
3200	Invested capital .....		193,421	164,408	139,747
3300	Cumulative results of operations .....	500,191	251,235	231,104	187,555
3999	Total net position .....	500,191	444,656	395,512	327,302
4999	Total liabilities and net position .....	515,630	466,454	413,313	342,433

Object Classification (in thousands of dollars)

Identification code 36-4023-0-3-704	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....	509,692	330,685	270,024
42.0 Insurance claims and indemnities .....	1,047		
99.9 Total obligations .....	510,739	330,685	270,024

LOAN GUARANTY PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the purpose of 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.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, **[\$59,371,000]** *\$52,138,000*, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Unavailable Collections (in thousands of dollars)

Identification code 36-1025-0-1-704	1994 actual	1995 est.	1996 est.
Balance, start of year:			
01.99 Balance, start of year .....	45,735	130,440	86,501
Receipts:			
02.01 Loan guaranty direct loans, downward reestimate of subsidies .....	-45,735		
03.00 Offsetting Collections .....	130,440		
04.00 Total: Balances and collections .....	130,440	130,440	86,501
Appropriation:			
05.01 Loan guaranty program .....		-43,939	-22,950
07.99 Total balance, end of year .....	130,440	86,501	63,551

Program and Financing (in thousands of dollars)

Identification code 36-1025-0-1-704	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Direct loan subsidy .....	25,896	21,594	22,819
00.02 Guaranteed loan subsidy .....	56	128	131
00.03 Reestimate of direct loan subsidy .....		14,196	
00.04 Interest on reestimate of direct loan subsidy .....		8,116	
00.06 Reestimate of loan guarantee subsidy .....	53		
00.09 Administrative expenses .....	70,716	59,371	52,138
10.00 Total obligations .....	96,721	103,405	75,088
Financing:			
39.00 Budget authority (gross) .....	96,721	103,405	75,088

Budget authority:				
Current:				
40.00	Appropriation .....	70,716	59,371	52,138
Permanent:				
68.00	Spending authority from offsetting collections .....	156,445	95	
68.26	Spending authority from offsetting collections (unavailable balances) .....		43,939	22,950
68.45	Portion not available for obligation (limitation on obligations) .....	-130,440		
68.90	Spending authority from offsetting collections (total) .....	26,005	44,034	22,950

Relation of obligations to outlays:

71.00	Total obligations .....	96,721	103,405	75,088
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance .....		1,642	
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-1,642		
87.00	Outlays (gross) .....	95,079	105,047	75,088
Adjustments to gross budget authority and outlays:				
88.00	Offsetting collections from: Total offsetting collections .....	-156,445	-95	
89.00	Budget authority (net) .....	-59,724	103,310	75,088
90.00	Outlays (net) .....	-61,366	104,952	75,088

Summary of Budget Authority and Outlays

(In thousands of dollars)

	1994 actual	1995 est.	1996 est.
Enacted/requested:			
Budget Authority .....	-59,724	103,310	75,088
Outlays .....	-61,366	104,952	75,088
Legislative proposal, subject to PAYGO:			
Budget Authority .....			-22
Outlays .....			-22
Total:			
Budget Authority .....	-59,724	103,310	75,066
Outlays .....	-61,366	104,952	75,066

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

Identification code 36-1025-0-1-704	1994 actual	1995 est.	1996 est.	
Direct loan levels supportable by subsidy budget authority:				
1159	Total direct loan levels .....	1,106,677	922,810	733,741
Direct loan subsidy (in percent):				
1329	Weighted average subsidy rate .....	2.34	2.34	3.11
Direct loan subsidy budget authority:				
1339	Total subsidy budget authority .....	25,896	21,594	22,819
Direct loan subsidy outlays:				
1349	Total subsidy outlays .....	25,896	21,594	22,819
Guaranteed loan levels supportable by subsidy budget authority:				
2159	Total loan guarantee levels .....	406	963	991
Guaranteed loan subsidy (in percent):				
2329	Weighted average subsidy rate .....	14.60	13.34	13.28
Guaranteed loan subsidy budget authority:				
2339	Total subsidy budget authority .....	56	128	131
Guaranteed loan subsidy outlays:				
2349	Total subsidy outlays .....	56	128	131
Administrative expense data:				
3510	Budget authority .....	70,716	59,371	52,138
3590	Outlays .....	69,074	61,013	52,138

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 the administrative expenses of this program. The subsidy amounts are estimated on a present value basis.

The purpose of the VA home loan guaranty program is to facilitate the extension of mortgage credit on favorable

**Credit accounts—Continued**

**LOAN GUARANTY PROGRAM ACCOUNT—Continued**  
(INCLUDING TRANSFER OF FUNDS)—Continued

terms by private lenders to eligible veterans. As of January 1, 1990, the guaranty on all new loan originations is provided by the Guaranty and Indemnity Fund, except for manufactured home loans. Guaranty amounts made prior to the establishment of the new Fund will be paid from the Loan Guaranty Revolving Fund in case of foreclosure. The guaranty protects lenders against the following 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.

Object Classification (in thousands of dollars)

Identification code 36-1025-0-1-704	1994 actual	1995 est.	1996 est.
25.3 Purchases of goods and services from Government accounts	70,716	59,371	52,138
41.0 Grants, subsidies, and contributions	26,005	44,034	22,950
99.9 Total obligations	96,721	103,405	75,088

**LOAN GUARANTY PROGRAM ACCOUNT**  
(Legislative proposal, subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 36-1025-4-1-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Guaranteed Loan Subsidy			-22
10.00 Total obligations (object class 41.0)			-22
<b>Financing:</b>			
39.00 Budget authority			-22
40.05 Budget authority (appropriation) (indefinite)			-22
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations			-22
90.00 Outlays			-22

This schedule shows the effect of the Administration's proposal to require a two percent fee and a ten percent downpayment on Manufactured Home Loans, and repeal restrictions on collection of loan guaranty debts.

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

Identification code 36-1025-4-1-704	1994 actual	1995 est.	1996 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2159 Total loan guarantee levels			-99
2329 Guaranteed loan subsidy (in percent):			
Weighted average subsidy rate			-0.96
Guaranteed loan subsidy budget authority:			
2339 Total subsidy budget authority			-22
Guaranteed loan subsidy outlays:			
2349 Total subsidy outlays			-22

**LOAN GUARANTY DIRECT LOAN FINANCING ACCOUNT**

Program and Financing (in thousands of dollars)

Identification code 36-4125-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loans	1,106,677	922,810	733,741
00.02 Interest on Treasury borrowing	63,414	21,511	47,984

00.03 Property sales expense	328	1,693	2,073
00.04 Property management expense	336	734	903
00.05 Property improvement expense	203	952	1,089
00.06 Cash advances/other	721		
00.07 Payment to program account for downward reestimate	104,897		
00.08 Payment of excess interest earned to program account	5,813		
10.00 Total obligations	1,282,389	947,700	785,790
<b>Financing:</b>			
39.00 Financing authority (gross)	1,282,389	947,700	785,790
<b>Financing authority:</b>			
67.15 Authority to borrow (indefinite)	1,191,491	878,904	710,922
68.00 Spending authority from offsetting collections	1,030,799	890,481	732,105
68.47 Portion applied to debt reduction	-939,901	-821,685	-657,237
68.90 Spending authority from offsetting collections (total)	90,898	68,796	74,868
<b>Relation of obligations to financing disbursements:</b>			
71.00 Total obligations	1,282,389	947,700	785,790
72.90 Obligated balance, start of year: Fund balance	6,002	151,915	125,961
74.90 Obligated balance, end of year: Fund balance	-151,915	-125,961	-102,906
87.00 Financing disbursements (gross)	1,136,476	973,654	808,845
<b>Adjustments to financing authority and financing disbursements:</b>			
<b>Offsetting collections from:</b>			
88.00 Payments from program account	-25,896	-43,906	-22,819
<b>Non-Federal sources:</b>			
88.40 Repayment and prepayments of principal (-)	-7,810	-16,149	-20,132
88.40 Interest received on loans	-29,656	-60,387	-70,700
88.40 Loan sale proceeds, net	-963,105	-716,743	-567,755
88.40 Fees	-9,901	-8,458	-6,605
88.40 Cash sale of properties	-950	-18,703	-23,684
88.40 Other revenue	6,519	-26,135	-20,410
88.90 Total, offsetting collections	-1,030,799	-890,481	-732,105
89.00 Financing authority (net)	251,590	57,219	53,685
90.00 Financing disbursements (net)	105,677	83,173	76,740

Status of Direct Loans (in thousands of dollars)

Identification code 36-4125-0-3-704	1994 actual	1995 est.	1996 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	1,106,677	922,810	733,741
1150 Total direct loan obligations	1,106,677	922,810	733,741
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	291,343	428,043	617,961
1231 Disbursements: Direct loan disbursements	1,136,476	922,810	733,741
<b>Repayments:</b>			
1251 Repayments and prepayments	-36,787	-16,149	-20,132
1253 Proceeds from loan asset sales to the public with recourse	-1,024,778	-757,097	-600,832
1262 Adjustments: Discount on loan asset sales to the public or discounted	61,674	40,354	33,077
<b>Write-offs for default:</b>			
1263 Direct loans	-5,272		
1264 Other adjustments, net	5,387		
1290 Outstanding, end of year	428,043	617,961	763,815

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 thousands of dollars)

Identification code 36-4125-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury	780,647	925,082	771,386	613,341

1206	Non-Federal assets: Accounts Receivables, net .....	9,896	15,388		
	Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable and related foreclosed property, net .....	73,308	318,524	265,603	211,186
1499	Net present value of assets related to direct loans .....	73,308	318,524	265,603	211,186
1999	Total assets .....	863,851	1,258,994	1,036,989	824,527
	<b>LIABILITIES:</b>				
	Federal liabilities:				
2101	Accounts payable .....		4,090		
2105	Other .....	62	101		
	Non-Federal liabilities:				
2201	Interest payable .....	3,800	147,507	55,090	43,926
2203	Debt .....	859,989	1,107,296	1,198,093	1,247,719
2999	Total liabilities .....	863,851	1,258,994	1,253,183	1,291,645
	<b>NET POSITION:</b>				
3100	Appropriated capital .....			-216,194	-467,118
3999	Total net position .....			-216,194	-467,118
4999	Total liabilities and net position .....	863,851	1,258,994	1,036,989	824,527

**Object Classification (in thousands of dollars)**

Identification code 36-4125-0-3-704	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....	1,218,975	926,189	737,806
43.0 Interest and dividends .....	63,414	21,511	47,984
99.9 Total obligations .....	1,282,389	947,700	785,790

**LOAN GUARANTY DIRECT LOAN FINANCING ACCOUNT**

(Legislative proposal, subject to PAYGO)

**Program and Financing (in thousands of dollars)**

Identification code 36-4125-4-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.04 Interest on Treasury Borrowing .....			2,318
00.05 Payment to Liquidating Account for Enhanced Debt Collection .....			89,662
10.00 Total obligations .....			91,980
<b>Financing:</b>			
39.00 Financing authority (gross) .....			91,980
<b>Financing authority:</b>			
67.15 Authority to borrow (indefinite) .....			89,662
68.00 Spending authority from offsetting collections .....			29,300
68.47 Portion applied to debt reduction .....			-26,982
68.90 Spending authority from offsetting collections (total) .....			2,318
<b>Relation of obligations to financing disbursements:</b>			
71.00 Total obligations .....			91,980
87.00 Financing disbursements (gross) .....			91,980
<b>Adjustments to financing authority and financing disbursements:</b>			
88.00 Offsetting collections from: Repayment from Liquidating Account for Debt Collection .....			-29,300
89.00 Financing authority (net) .....			62,680
90.00 Financing disbursements (net) .....			62,680

This schedule shows the effects of the Administration's proposal to repeal restrictions on the collection of loan guaranty debts and authorize VA to collect all loan guaranty debts by Federal salary offset or Federal income tax refund offset.

**Object Classification (in thousands of dollars)**

Identification code 36-4125-4-3-704	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....			89,662
43.0 Interest and dividends .....			2,318
99.9 Total obligations .....			91,980

**LOAN GUARANTY GUARANTEED LOAN FINANCING ACCOUNT**

**Program and Financing (in thousands of dollars)**

Identification code 36-4126-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Claims Paid .....		56	72
00.02 Payment of downward reestimate to program account .....		80	
00.03 Payment to program account for interest on downward reestimate .....		15	
10.00 Total obligations (object class 33.0) .....		151	72
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance .....	-335	-479	-500
24.90 Unobligated balance available, end of year: Fund balance .....	479	500	607
68.00 Financing authority (gross): Spending authority from offsetting collections .....	144	172	179

**Relation of obligations to financing disbursements:**

71.00 Total obligations .....		151	72
72.90 Obligated balance, start of year: Fund balance .....	39		
74.90 Obligated balance, end of year: Fund balance .....			
87.00 Financing disbursements (gross) .....	39	151	72

**Adjustments to financing authority and financing disbursements:**

<b>Offsetting collections from:</b>			
88.00 Federal sources: Payments from program account .....	-109	-128	-131
88.25 Interest on uninvested funds .....	-27	-33	-38
88.40 Non-Federal sources: Fees and premiums .....	-8	-11	-10
88.90 Total, offsetting collections .....	-144	-172	-179
89.00 Financing authority (net) .....			
90.00 Financing disbursements (net) .....	-105	-21	-107

**Status of Guaranteed Loans (in thousands of dollars)**

Identification code 36-4126-0-3-704	1994 actual	1995 est.	1996 est.
<b>Position with respect to appropriations act limitation on commitments:</b>			
2131 Guaranteed loan commitments exempt from limitation .....	406	963	991
2150 Total guaranteed loan commitments .....	406	963	991
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	1,998	2,380	3,298
2231 Disbursements of new guaranteed loans .....	406	963	991
2251 Repayments and prepayments .....	-24	-45	-97
2263 Adjustments: Terminations for default that result in claim payments .....			-29
2290 Outstanding, end of year .....	2,380	3,298	4,163

**Memorandum:**

2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,118	1,550	1,957
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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.

**Credit accounts—Continued**

**LOAN GUARANTY GUARANTEED LOAN FINANCING ACCOUNT—  
Continued**

**Balance Sheet (in thousands of dollars)**

Identification code 36-4126-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	93	495	500	607
1801 Other Federal assets: Cash and other monetary assets .....	261	1		
1999 Total assets .....	354	496	500	607
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Estimated Federal liability for loan guarantees, credit reform .....	354	496	193	321
2999 Total liabilities .....	354	496	193	321
<b>NET POSITION:</b>				
3100 Appropriated capital .....			307	286
3999 Total net position .....			307	286
4999 Total liabilities and net position .....	354	496	500	607

**LOAN GUARANTY GUARANTEED LOAN FINANCING ACCOUNT  
(Legislative proposal, subject to PAYGO)  
Program and Financing (in thousands of dollars)**

Identification code 36-4126-4-3-704	1994 actual	1995 est.	1996 est.
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance .....			
24.90 Unobligated balance available, end of year: Fund balance .....			-15
68.00 Financing authority (gross): Spending authority from offsetting collections .....			-14
<b>Relation of obligations to financing disbursements:</b>			
71.00 Total obligations .....			
87.00 Financing disbursements (gross) .....			
<b>Adjustments to financing authority and financing disbursements:</b>			
<b>Offsetting collections from:</b>			
88.00 Federal sources .....			21
88.25 Interest on uninvested funds .....			1
88.40 Non-Federal sources .....			-8
88.90 Total, offsetting collections .....			14
89.00 Financing authority (net) .....			
90.00 Financing disbursements (net) .....			14

This schedule shows the effect of the Administration's proposal to require a two-percent fee and a ten percent downpayment on Manufactured Home Loans.

**LOAN GUARANTY REVOLVING FUND LIQUIDATING ACCOUNT  
Program and Financing (in thousands of dollars)**

Identification code 36-4025-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
<b>Capital investment:</b>			
00.01 Acquisition of homes .....	913,559	762,962	583,916
00.02 Property improvements .....	41,705	32,974	25,236
00.03 Repurchase of loans sold, net .....	47,642	36,697	28,357
00.04 Cash advances, vendee loans .....	6,264	4,698	3,524
00.05 Acquisition of defaulted guaranteed loans .....	81,438	77,003	73,212
00.91 Total capital investment .....	1,090,608	914,334	714,245
<b>Operating expenses:</b>			
01.01 Property management expense .....	51,328	42,150	32,307

01.02 Sales expense .....	76,471	63,565	49,638
01.03 Claims processed .....	259,576	226,423	172,360
01.04 Other expenses .....	7,486		
01.91 Total operating expenses .....	394,861	332,138	254,305
10.00 Total obligations (object class 33.0) .....	1,485,469	1,246,472	968,550
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance .....	-268,127	-282,250	-241,888
24.90 Unobligated balance available, end of year: Fund balance .....	282,250	241,888	241,086
68.00 Budget authority (gross): Spending authority from offsetting collections .....	1,499,592	1,206,110	967,748
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	1,485,469	1,246,472	968,550
72.90 Obligated balance, start of year: Fund balance .....	8,614	58,367	49,000
74.90 Obligated balance, end of year: Fund balance .....	-58,367	-49,000	-38,100
87.00 Outlays (gross) .....	1,435,716	1,255,839	979,450
<b>Adjustments to gross budget authority and outlays:</b>			
<b>Offsetting collections from:</b>			
88.00 Federal sources: Payments from loan guarantee direct loan financing account .....	-1,106,677	-922,810	-733,741
<b>Non-Federal sources:</b>			
88.40 Sale of loans .....	-76,851		
88.40 Loan and other repayments .....	-78,335	-62,668	-50,134
88.40 Cash sale of properties .....	-153,953	-132,313	-103,325
88.40 Collection of veteran indebtedness .....	-55,501	-65,000	-60,000
88.40 Interest income .....	-76,469	-61,175	-48,940
88.40 Other Income .....	48,194	37,856	28,392
88.90 Total, offsetting collections .....	-1,499,592	-1,206,110	-967,748
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....	-63,876	49,729	11,702

**Summary of Budget Authority and Outlays**

[In thousands of dollars]

	1994 actual	1995 est.	1996 est.
<b>Enacted/requested:</b>			
Budget Authority .....			
Outlays .....	-63,876	49,729	11,702
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....			
Outlays .....			-89,622
<b>Total:</b>			
Budget Authority .....			
Outlays .....	-63,876	49,729	-77,920

**Status of Direct Loans (in thousands of dollars)**

Identification code 36-4025-0-3-704	1994 actual	1995 est.	1996 est.
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	790,557	628,421	612,546
<b>Disbursements:</b>			
1231 Direct loan disbursements .....	47,734		
1232 Purchase of loans assets from the public .....		36,697	28,357
<b>Repayments:</b>			
1251 Repayments and prepayments .....	-65,317	-51,921	-50,609
1252 Proceeds from loan asset sales to the public or discounted .....	-78,952		
<b>Adjustments:</b>			
1261 Capitalized interest .....	3,637	2,891	2,818
1262 Discount on loan asset sales to the public or discounted .....	2,102		
<b>Write-offs for default:</b>			
1263 Direct loans .....	-4,456	-3,542	-3,453
1264 Other adjustments, net <sup>1</sup> .....	-66,884		
1290 Outstanding, end of year .....	628,421	612,546	589,659

<sup>1</sup>Includes the adjustments made for cumulative disbursement for guaranteed loan claims and discounts on loans sold as well as the net adjustment between the property and loan portfolios.

**Status of Guaranteed Loans (in thousands of dollars)**

Identification code 36-4025-0-3-704	1994 actual	1995 est.	1996 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	83,216,440	38,664,639	17,626,153

2251	Repayments and prepayments .....	-43,383,635	-20,157,226	-9,189,129
Adjustments:				
2262	Terminations for default that result in acquisition of property .....	-913,558	-762,962	-583,916
2263	Terminations for default that result in claim payments .....	-254,608	-118,298	-53,929
2290	Outstanding, end of year .....	38,664,639	17,626,153	7,799,179
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	18,923,236	8,636,815	3,821,598
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	1,863,627	1,699,369	1,585,682
2331	Disbursements for guaranteed loan claims .....	315,105	287,333	268,109
2351	Repayments of loans receivable .....	-110,864	-65,000	-60,000
2361	Write-offs of loans receivable .....	-368,499	-336,020	-313,540
2390	Outstanding, end of year .....	1,699,369	1,585,682	1,480,251

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Budget program—  
Acquisition of homes.**

	1994 actual	1995 est.	1996 est.
Number of property acquisitions processed .....	16,616	13,512	10,040
Average amount per acquisition .....	\$54,981	\$56,465	\$58,159
Total obligations (in thousands) .....	\$913,559	\$762,962	\$583,916

**Property improvements.**

	1994 actual	1995 est.	1996 est.
Number of properties improved .....	18,156	13,978	10,385
Average amount per property .....	\$2,297	\$2,359	\$2,430
Total obligations (in thousands) .....	\$41,705	\$32,974	\$25,236

**Repurchase of loans sold, net.**

	1994 actual	1995 est.	1996 est.
Number of loans repurchased .....	1,484	1,113	835
Average amount per repurchase .....	\$32,104	\$32,971	\$33,960
Total obligations (in thousands) .....	\$47,642	\$36,697	\$28,357

**Cash advances—**

**Vendee loans.**—Small cash advances are occasionally made to borrowers to cover taxes, hazard insurance, and necessary repairs. These amounts are added to the loan balance.

	1994 actual	1995 est.	1996 est.
Total obligations (in thousands) .....	\$6,264	\$4,698	\$3,524

**Property management expense.**—Property management expenses include all the costs of ownership of acquired properties except capitalized expenditures made incident to the acquisition and rehabilitation of properties.

	1994 actual	1995 est.	1996 est.
Average number of properties .....	8,576	6,857	5,103
Average amount per property .....	\$5,985	\$6,147	\$6,331
Total obligations (in thousands) .....	\$51,328	\$42,150	\$32,307

**Sales expense.**—Sales expense include brokers' fees and advertising costs incident to the sale of properties owned by VA.

	1994 actual	1995 est.	1996 est.
Number of sales .....	19,452	15,746	11,938
Average amount per sale .....	\$3,931	\$4,037	\$4,158
Total obligations (in thousands) .....	\$76,471	\$63,565	\$49,638

**Loss on defaulted guaranteed loans.**—These payments are made to lenders in accordance with the VA guaranty contract. In most home loan cases, they represent the dif-

ference between the amount owed by the veteran on a defaulted loan and the value of the foreclosed property as established by VA.

	1994 actual	1995 est.	1996 est.
<b>Individual homes:</b>			
Number of claims .....	18,368	15,531	11,539
Average amount per payment .....	\$13,776	\$14,148	\$14,572
Total obligations (in thousands) .....	\$253,040	\$219,733	\$168,146
<b>Manufactured homes:</b>			
Number of claims .....	922	919	562
Average amount per payment .....	\$7,089	\$7,280	\$7,498
Total obligations (in thousands) .....	\$6,536	\$6,690	\$4,214

**Statement of Operations (in thousands of dollars)**

Identification code 36-4025-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue .....	1,391,386	1,096,218	1,009,940	976,988
0102 Expense .....	-836,581	-660,973	-619,293	-596,154
0109 Net income or loss (-) .....	554,805	435,245	390,647	380,834

**Balance Sheet (in thousands of dollars)**

Identification code 36-4025-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	284,381	353,581	241,888	241,086
Investments in US securities:				
1106 Receivables, net .....	394,596	394,150	384,193	369,838
Non-Federal assets:				
1206 Accounts Receivable, net ....	5,180	1,163	1,134	1,092
1207 Advances and prepayments .....	47	44	43	41
Net value of assets related to post-1991 direct loans receivable:				
1402 Interest receivable .....		9,664	9,420	9,068
1403 Credit program receivables and related foreclosed property, net .....	774,630	597,398	582,307	560,550
1499 Net present value of assets related to direct loans .....	774,630	607,062	591,727	569,618
Other Federal assets:				
1803 Property, plant and equipment, net .....	546,200	533,369	519,895	500,470
1901 Other assets .....	-6	-1,938		
1999 Total assets .....	2,005,028	1,887,431	1,738,880	1,682,145
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	63,988	58,238	56,767	54,646
2105 Other .....	30,842	38,406		
2204 Non-Federal liabilities: Liabilities for loan guarantees ....	1,497,954	893,773	871,195	838,644
2999 Total liabilities .....	1,592,784	990,417	927,962	893,290
<b>NET POSITION:</b>				
3200 Invested capital .....	1,592,784	1,524,917	1,486,395	1,430,858
3300 Cumulative results of operations .....	412,244	268,504	268,504	268,504
3500 Future funding requirements ...	-1,592,784	-893,773	-893,773	-893,773
3999 Total net position .....	412,244	899,648	861,126	805,589
4999 Total liabilities and net position .....	2,005,028	1,890,065	1,789,088	1,698,879

Note.—This statement excludes unfunded contingent liabilities under loan guaranty and insurance programs.

**LOAN GUARANTY REVOLVING FUND LIQUIDATING ACCOUNT  
(Legislative proposal, subject to PAYGO)**

**Program and Financing (in thousands of dollars)**

Identification code 36-4025-4-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.07 Payment to Direct Loan Financing Account Due to Enhanced Debt Collection .....			29,300
10.00 Total obligations (object class 43.0) .....			29,300

**Credit accounts—Continued**

**LOAN GUARANTY REVOLVING FUND LIQUIDATING ACCOUNT—  
Continued**

**Program and Financing (in thousands of dollars)—Continued**

Identification code 36-4025-4-3-704	1994 actual	1995 est.	1996 est.
<b>Financing:</b>			
27.00 Capital transfer to general fund .....			89,622
68.00 Budget authority (gross): Spending authority from offsetting collections .....			118,922
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....			29,300
87.00 Outlays (gross) .....			29,300
<b>Adjustments to gross budget authority and outlays:</b>			
Offsetting collections from:			
88.00 Federal sources—Receipt from Financing Account Due to Debt Collection .....			-89,622
88.40 Non-Federal sources—Enhanced Debt Collection .....			-29,300
88.90 Total, offsetting collections .....			-118,922
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....			-89,622

This schedule shows the effects of the Administration's proposal to repeal restrictions on collection of loan guaranty debts. VA would be permitted to collect all loan guaranty debts by Federal salary offset or Federal income tax refund offset.

**DIRECT LOAN PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)**

For the cost of direct loans, such sums as may be necessary to carry out the purpose of 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: *Provided further*, That during [1995] 1996, within the resources available, not to exceed [\$1,000,000] \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans (38 U.S.C. chapter 37).

In addition, for administrative expenses to carry out the direct loan program, [\$1,020,000] \$459,000, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

**Program and Financing (in thousands of dollars)**

Identification code 36-1024-0-1-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loan subsidy .....	11	11	28
00.05 Reestimate of direct loan subsidy .....		13	
00.06 Interest on reestimate of direct loan subsidy .....		1	
00.09 Administrative expenses .....	2,863	1,020	459
10.00 Total obligations .....	2,874	1,045	487
<b>Financing:</b>			
39.00 Budget authority (gross) .....	2,874	1,045	487
Budget authority:			
Current:			
40.00 Appropriation .....	2,863	1,020	459
40.05 Appropriation (indefinite) .....	6	25	28
43.00 Appropriation (total) .....	2,869	1,045	487
Permanent:			
68.00 Spending authority from offsetting collections .....	5		
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	2,874	1,045	487
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....		9	

74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-9		
87.00 Outlays (gross) .....	2,865	1,054	487
<b>Adjustments to gross budget authority and outlays:</b>			
88.00 Offsetting collections from: Total offsetting collections .....	-5		
89.00 Budget authority (net) .....	2,869	1,045	487
90.00 Outlays (net) .....	2,860	1,054	487

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

Identification code 36-1024-0-1-704	1994 actual	1995 est.	1996 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1159 Total direct loan levels .....	125	97	99
<b>Direct loan subsidy (in percent):</b>			
1329 Weighted average subsidy rate .....	10.74	11.76	28.13
<b>Direct loan subsidy budget authority:</b>			
1339 Total subsidy budget authority .....	11	25	28
<b>Direct loan subsidy outlays:</b>			
1349 Total subsidy outlays .....	11	25	28
<b>Administrative expense data:</b>			
3510 Budget authority .....	2,863	1,020	459
3590 Outlays .....	2,854	1,020	459

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

*Direct loans to veterans.*—Specially Adapted Housing (SAH) loans are made to certain totally disabled veterans to supplement grants authorized to assist the veteran in acquiring suitable housing units with special features necessary due to the nature of their disabilities. Veterans receiving SAH loans are exempt from the loan origination fee.

*Direct (vendee) loans.*—A vendee loan is established when a VA-owned property is sold on terms to a veteran or a non-veteran. Under current law, a veteran or a non-veteran receiving a vendee loan is charged a loan origination fee of 1 percent.

**Object Classification (in thousands of dollars)**

Identification code 36-1024-0-1-704	1994 actual	1995 est.	1996 est.
25.3 Purchases of goods and services from Government accounts .....	2,863	1,020	459
41.0 Grants, subsidies, and contributions .....	11	25	28
99.9 Total obligations .....	2,874	1,045	487

**DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in thousands of dollars)**

Identification code 36-4128-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loans .....	125	97	99
00.02 Interest on Treasury borrowing .....	48	13	16
00.03 Payment of downward reestimate to program account .....	4		
00.04 Payment of excess interest to program account .....	1		
10.00 Total obligations .....	178	110	115
<b>Financing:</b>			
39.00 Financing authority (gross) .....	178	110	115
<b>Financing authority:</b>			
67.15 Authority to borrow (indefinite) .....	119	72	71
68.00 Spending authority from offsetting collections .....	78	83	65
68.47 Portion applied to debt reduction .....	-19	-45	-21

68.90	Spending authority from offsetting collections (total)	59	38	44
<b>Relation of obligations to financing disbursements:</b>				
71.00	Total obligations	178	110	115
72.90	Obligated balance, start of year: Fund balance	7	80	6
74.90	Obligated balance, end of year: Fund balance	-80	-6	-6
87.00	Financing disbursements (gross)	105	184	115
<b>Adjustments to financing authority and financing disbursements:</b>				
Offsetting collections from:				
88.00	Payments from Program account	-11	-25	-28
Non-Federal sources:				
88.40	Repayments and prepayments of principal	-39	-1	-1
88.40	Interest received on loans	-26	-1	-5
88.40	Loan sale proceeds, net		-53	-28
88.40	Fees	-2	-1	-1
88.40	Other revenue		-2	-2
88.90	Total, offsetting collections	-78	-83	-65
89.00	Financing authority (net)	100	27	50
90.00	Financing disbursements (net)	27	101	50

**Status of Direct Loans (in thousands of dollars)**

Identification code 36-4128-0-3-704				
		1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	1,000	1,000	300
1112	Unobligated direct loan limitation	-875	-903	-201
1131	Direct loan obligations exempt from limitation	125	97	99
1150	Total direct loan obligations	250	194	198
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	305	392	425
1231	Disbursements: Direct loan disbursements	105	97	99
Repayments:				
1251	Repayments and prepayments	-65	-1	-1
1253	Proceeds from loan asset sales to the public with recourse		-53	-28
1262	Adjustments: Discount on loan asset sales to the public or discounted prepayments	47	-10	-5
1290	Outstanding, end of year	392	425	490

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 thousands of dollars)**

Identification code 36-4128-0-3-704					
		1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury	427	510		
Net value of assets related to post-1991 direct loans receivable:					
1403	Accounts receivable from foreclosed property	272	373	381	365
1499	Net present value of assets related to direct loans	272	373	381	365
1999	Total assets	699	883	381	365
<b>LIABILITIES:</b>					
2101	Federal liabilities: Accounts payable		9		
Non-Federal liabilities:					
2201	Accounts payable	6	71	13	
2203	Debt	693	803	876	1,019
2999	Total liabilities	699	883	889	1,019

<b>NET POSITION:</b>					
3100	Appropriated capital			-508	-654
3999	Total net position			-508	-654
4999	Total liabilities and net position	699	883	381	365

**Object Classification (in thousands of dollars)**

Identification code 36-4128-0-3-704				
		1994 actual	1995 est.	1996 est.
33.0	Investments and loans	130	97	99
43.0	Interest and dividends	48	13	16
99.9	Total obligations	178	110	115

**DIRECT LOAN REVOLVING FUND LIQUIDATING ACCOUNT**

**Program and Financing (in thousands of dollars)**

Identification code 36-4024-0-3-704				
		1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>				
Capital investment:				
00.01	Cash advances, repurchases and other	137	120	104
00.02	Property improvements	24	22	20
00.91	Total capital investment	161	142	124
Operating expenses:				
01.01	Property management and operating expense	128	116	112
01.02	Sales expense	18	7	10
01.91	Total operating expenses	146	123	122
10.00	Total obligations	307	265	246
<b>Financing:</b>				
21.90	Unobligated balance available, start of year: Fund balance	-8,165	-14,185	
24.90	Unobligated balance available, end of year: Fund balance	14,185		
25.00	Unobligated balance expiring		18,933	3,865
39.00	Budget authority (gross)	6,327	5,013	4,111
68.00	Budget authority (gross): Spending authority from offsetting collections	6,327	5,013	4,111
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations	307	265	246
72.90	Obligated balance, start of year: Fund balance	1,666	2,674	711
74.90	Obligated balance, end of year: Fund balance	-2,674	-711	-579
87.00	Outlays (gross)	-701	2,228	378
<b>Adjustments to gross budget authority and outlays:</b>				
Offsetting collections from:				
88.00	Federal sources: Recoveries from Direct Loan Financing Account	-125	-64	-66
Non-Federal sources:				
88.40	Loan and other repayments	-5,460	-4,368	-3,494
88.40	Sale of properties, cash	-159	-54	-84
88.40	Interest on loans	-1,797	-3,438	-1,150
88.40	Other revenues	1,214	911	683
88.90	Total, offsetting collections	-6,327	-5,013	-4,111
89.00	Budget authority (net)			
90.00	Outlays (net)	-7,028	-2,785	-3,733

**Status of Direct Loans (in thousands of dollars)**

Identification code 36-4024-0-3-704				
		1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	23,709	16,847	11,574
1251	Repayments: Repayments and prepayments	-5,460	-3,880	-2,666
1261	Adjustments: Capitalized interest	559		
Write-offs for default:				
1263	Direct loans	-159	-113	-78
1264	Other adjustments, net	-1,802	-1,280	-879
1290	Outstanding, end of year	16,847	11,574	7,951

**Credit accounts—Continued**

**DIRECT LOAN REVOLVING FUND LIQUIDATING ACCOUNT—Continued**

**Statement of Operations (in thousands of dollars)**

Identification code 36-4024-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue .....	30,758	1,980	1,569	1,287
0102 Expense .....	-148	-225	-165	-103
0109 Net income or loss (-) .....	30,610	1,755	1,404	1,184

**Balance Sheet (in thousands of dollars)**

Identification code 36-4024-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	10,552	17,676	16,847	11,574
1206 Non-Federal assets: Receivables, net .....	22,327	-30		
1403 Net value of assets related to post-1991 direct loans receivable: Accounts receivable from foreclosed property .....		16,804	16,016	11,003
<b>Other Federal assets:</b>				
1803 Property, plant and equipment, net .....		38	36	25
1901 Other assets .....	244	80		
1999 Total assets .....	33,123	34,568	32,899	22,602
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2101 Accounts payable .....	1,893	1,590	1,383	1,203
2105 Other .....	618	618		
2999 Total liabilities .....	2,511	2,208	1,383	1,203
<b>NET POSITION:</b>				
3200 Invested capital .....		16,842	8,206	2,047
3300 Cumulative results of operations .....	30,612	15,457		
3999 Total net position .....	30,612	32,299	8,206	2,047
4999 Total liabilities and net position .....	33,123	34,507	9,589	3,250

**NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)**

For administrative expenses to carry out the direct loan program authorized by section 38, U.S.C. chapter 37, subchapter V, as amended, [S218,000] \$455,000, 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, 1995.*)

**Program and Financing (in thousands of dollars)**

Identification code 36-1120-0-1-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loan subsidy .....	59	1,026	1,354
00.09 Administrative expenses .....	156	218	455
10.00 Total obligations .....	215	1,244	1,809
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-4,500	-4,441	-3,415
24.40 Unobligated balance available, end of year: Treasury balance .....	4,441	3,415	2,061
40.00 Budget authority (appropriation) .....	156	218	455
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	215	1,244	1,809
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....		8	
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-8		
90.00 Outlays .....	207	1,252	1,809

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

Identification code 36-1120-0-1-704	1994 actual	1995 est.	1996 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1159 Total direct loan levels .....	763	13,293	17,538
<b>Direct loan subsidy (in percent):</b>			
1329 Weighted average subsidy rate .....	7.72	7.72	7.72
<b>Direct loan subsidy budget authority:</b>			
1339 Total subsidy budget authority .....	59	1,026	1,354
<b>Direct loan subsidy outlays:</b>			
1349 Total subsidy outlays .....	59	1,026	1,354
<b>Administrative expense data:</b>			
3510 Budget authority .....	156	218	455
3590 Outlays .....	148	218	455

**Object Classification (in thousands of dollars)**

Identification code 36-1120-0-1-704	1994 actual	1995 est.	1996 est.
25.3 Purchases of goods and services from Government accounts .....	156	218	455
41.0 Grants, subsidies, and contributions .....	59	1,026	1,354
99.9 Total obligations .....	215	1,244	1,809

**NATIVE AMERICAN VETERAN HOUSING DIRECT LOAN FINANCING ACCOUNT**

**Program and Financing (in thousands of dollars)**

Identification code 36-4130-0-3-704	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loans <sup>1</sup> .....	763	13,293	17,538
00.02 Interest on Treasury borrowing .....	23	517	1,553
00.03 Property sales expense .....			5
00.04 Property management expense .....			3
00.05 Property improvement expense .....			2
10.00 Total obligations .....	786	13,810	19,101
<b>Financing:</b>			
39.00 Financing authority (gross) .....	786	13,810	19,101
<b>Financing authority:</b>			
67.15 Authority to borrow (indefinite) .....	721	12,267	16,184
68.00 Spending authority from offsetting collections .....	65	1,836	3,904
68.47 Portion applied to debt reduction .....		-293	-987
68.90 Spending authority from offsetting collections (total) .....	65	1,543	2,917
<b>Relation of obligations to financing disbursements:</b>			
71.00 Total obligations .....	786	13,810	19,101
72.40 Obligated balance, start of year: Treasury balance .....		455	455
74.40 Obligated balance, end of year: Treasury balance .....	-455	-455	-455
87.00 Financing disbursements (gross) .....	331	13,810	19,101
<b>Adjustments to financing authority and financing disbursements:</b>			
<b>Offsetting collections from:</b>			
88.00 Payments from program account .....	-59	-1,026	-1,354
<b>Non-Federal sources:</b>			
88.40 Repayment of principal .....		-51	-165
88.40 Interest received on loans .....	-5	-691	-2,110
88.40 Funding and Processing Fees .....	-1		
88.40 Cash sale of properties .....		-68	-275
88.90 Total, offsetting collections .....	-65	-1,836	-3,904
89.00 Financing authority (net) .....	721	11,974	15,197
90.00 Financing disbursements (net) .....	266	11,974	15,197

<sup>1</sup> Direct loan obligations include funding for construction loans in progress.

Status of Direct Loans (in thousands of dollars)

Identification code 36-4130-0-3-704	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1112 Unobligated direct loan limitation	-57,637	-44,344	-26,806
1113 Unobligated limitation carried forward	58,400	57,637	44,344
1150 Total direct loan obligations	763	13,293	17,538
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		763	14,005
1231 Disbursements: Direct loan disbursements	331	13,293	17,538
1251 Repayments: Repayments and prepayments	-6	-51	-165
1264 Write-offs for default: Other adjustments, net	438		
1290 Outstanding, end of year	763	14,005	31,378

Balance Sheet (in thousands of dollars)

Identification code 36-4130-0-3-704	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net		721		
1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross		325	14,005	31,378
1901 Other Federal assets: Other assets		112		
1999 Total assets		1,158	14,005	31,378
LIABILITIES:				
2101 Federal liabilities: Accounts payable		1		
Non-Federal liabilities:				
2202 Interest payable		454		
2203 Debt from borrowing authority		703	11,974	27,172
2999 Total liabilities		1,158	11,974	27,172
NET POSITION:				
3100 Appropriated capital			2,031	4,206
3999 Total net position			2,031	4,206
4999 Total liabilities and net position		1,158	14,005	31,378

Object Classification (in thousands of dollars)

Identification code 36-4130-0-3-704	1994 actual	1995 est.	1996 est.
33.0 Investments and loans	763	13,293	17,548
43.0 Interest and dividends	23	517	1,553
99.9 Total obligations	786	13,810	19,101

EDUCATION LOAN FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, **[\$1,061] \$1,093**, 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: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed **[\$4,034] \$4,120**.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$195,000] \$203,000**, which may be transferred to and merged with the appropriation for "General operating expenses." (*Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 36-1118-0-1-702	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Direct loan subsidy		1	1

00.09 Administrative expenses	186	195	203
10.00 Total obligations	186	196	204
Financing:			
25.00 Unobligated balance expiring	1		
40.00 Budget authority (appropriation)	187	196	204
Relation of obligations to outlays:			
71.00 Total obligations	186	196	204
90.00 Outlays	186	196	204

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

Identification code 36-1118-0-1-702	1994 actual	1995 est.	1996 est.
Direct loan levels supportable by subsidy budget authority:			
1159 Total direct loan levels		4	4
Direct loan subsidy (in percent):			
1329 Weighted average subsidy rate	0.00	26.30	26.53
Direct loan subsidy budget authority:			
1339 Total subsidy budget authority		1	1
Direct loan subsidy outlays:			
1349 Total subsidy outlays		1	1

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 the Education Loan program, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as the administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in thousands of dollars)

Identification code 36-1118-0-1-702	1994 actual	1995 est.	1996 est.
25.3 Purchases of goods and services from Government accounts	186	195	203
41.0 Grants, subsidies, and contributions		1	1
99.9 Total obligations	186	196	204

EDUCATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 36-4113-0-3-702	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Direct loans		4	4
10.00 Total obligations		4	4
Financing:			
39.00 Financing authority (gross)		4	4
Financing authority:			
67.15 Authority to borrow (indefinite)		3	3
68.00 Spending authority from offsetting collections		1	1
Relation of obligations to financing disbursements:			
71.00 Total obligations		4	4
87.00 Financing disbursements (gross)		4	4
Adjustments to financing authority and financing disbursements:			
88.00 Offsetting collections from: Federal sources		-1	-1
89.00 Financing authority (net)		3	3
90.00 Financing disbursements (net)		3	3

**Credit accounts—Continued**

**EDUCATION DIRECT LOAN FINANCING ACCOUNT—Continued**

Status of Direct Loans (in thousands of dollars)

Identification code 36-4113-0-3-702	1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans		4	4
1150 Total direct loan obligations		4	4
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			4
1231 Disbursements: Direct loan disbursements		4	4
1251 Repayments: Repayments and prepayments			
1263 Write-offs for default: Direct loans			
1290 Outstanding, end of year		4	8

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

Balance Sheet (in thousands of dollars)

Identification code 36-4113-0-3-702	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross			4	8
1499 Net present value of assets related to direct loans			4	8
1999 Total assets			4	8
LIABILITIES:				
2103 Federal liabilities: Debt			3	6
2999 Total liabilities			3	6
NET POSITION:				
3100 Appropriated capital			1	2
3999 Total net position			1	2
4999 Total liabilities and net position			4	8

**EDUCATION LOAN FUND LIQUIDATING ACCOUNT**

Program and Financing (in thousands of dollars)

Identification code 36-4118-0-3-702	1994 actual	1995 est.	1996 est.
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance	-6,984	-7,777	
24.90 Unobligated balance available, end of year: Fund balance	7,777		
25.00 Unobligated balance expiring		8,386	457
68.00 Budget authority (gross): Spending authority from offsetting collections	793	609	457
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations			
72.90 Obligated balance, start of year: Fund balance	214	213	213
74.90 Obligated balance, end of year: Fund balance	-213	-213	-213
87.00 Outlays (gross)	-1		
<b>Adjustments to gross budget authority and outlays:</b>			
88.40 Offsetting collections from: Deductions for offsetting collections: Non-Federal sources	-793	-609	-457
89.00 Budget authority (net)			

90.00 Outlays (net)	-794	-609	-457
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Status of Direct Loans (in thousands of dollars)

Identification code 36-4118-0-3-702	1994 actual	1995 est.	1996 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3,682	3,392	2,988
1251 Repayments: Repayments and prepayments	-527	-404	-304
Write-offs for default:			
1263 Direct loans	-434		
1264 Other adjustments, net	671		
1290 Outstanding, end of year	3,392	2,988	2,684

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

WORKLOAD, AMOUNT LOANED AND REPAID

	1994 actual	1995 est.	1996 est.
Number of loans outstanding	4,132	3,980	3,830
Average amount per loan outstanding	\$821	\$751	\$701
Repayment of loans (in thousands)	\$527	\$404	\$304

Statement of Operations (in thousands of dollars)

Identification code 36-4118-0-3-702	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	457	266	205	153
0102 Expense	-4,887	-431		
0109 Net income or loss (-)	-4,430	-165	205	153

Balance Sheet (in thousands of dollars)

Identification code 36-4118-0-3-702	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	6,558	7,569		
Investments in US securities:				
1106 Receivables, net	213	213	213	213
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	3,682	3,392	2,988	2,684
1603 Allowance for estimated uncollectible loans and interest (-)	-2,455	-2,261	-1,992	-1,789
1699 Value of assets related to direct loans	1,227	1,131	996	895
1999 Total assets	7,998	8,913	1,209	1,108
NET POSITION:				
3100 Appropriated capital	8,322	8,322	8,322	8,322
3300 Cumulative results of operations	-578	585	-7,113	-7,214
3999 Total net position	7,744	8,907	1,209	1,108
4999 Total liabilities and net position	7,744	8,907	1,209	1,108

**VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT**  
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, [\$54,000] \$56,000, 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: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed [\$1,964,000] \$2,022,000.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$767,000]** \$377,000, which may be transferred to and merged with the appropriation for "General operating expenses". (*Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 36-1114-0-1-702	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loan subsidy .....	48	54	56
00.09 Administrative expenses .....	751	767	377
10.00 Total obligations .....	799	821	433
<b>Financing:</b>			
25.00 Unobligated balance expiring .....	7		
39.00 Budget authority .....	806	821	433
<b>Budget authority:</b>			
40.00 Appropriation .....	804	821	433
42.00 Transferred from other accounts .....	2		
43.00 Appropriation (total) .....	806	821	433
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	799	821	433
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....		339	
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-339		
90.00 Outlays .....	460	1,160	433

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

Identification code 36-1114-0-1-702	1994 actual	1995 est.	1996 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1159 Total direct loan levels .....	2,201	1,964	2,022
<b>Direct loan subsidy (in percent):</b>			
1329 Weighted average subsidy rate .....	2.18	2.75	2.77
<b>Direct loan subsidy budget authority:</b>			
1339 Total subsidy budget authority .....	48	54	56
<b>Direct loan subsidy outlays:</b>			
1349 Total subsidy outlays .....	48	54	56
<b>Administrative expense data:</b>			
3510 Budget authority .....	751	767	377
3590 Outlays .....	412	1,106	377

This fund provides loans up to \$774 (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. As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as the administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in thousands of dollars)

Identification code 36-1114-0-1-702	1994 actual	1995 est.	1996 est.
25.3 Purchases of goods and services from Government accounts .....	751	767	377
41.0 Grants, subsidies, and contributions .....	48	54	56
99.9 Total obligations .....	799	821	433

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in thousands of dollars)

Identification code 36-4112-0-3-702	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Direct loans .....	2,201	1,964	2,022
00.02 Interest on Treasury borrowing .....		37	36
10.00 Total obligations .....	2,201	2,001	2,058
<b>Financing:</b>			
39.00 Financing authority (gross) .....	2,201	2,001	2,058
<b>Financing authority:</b>			
67.15 Authority to borrow (indefinite) .....	1,969	2,001	2,058
68.00 Spending authority from offsetting collections .....	2,069	2,032	2,033
68.47 Portion applied to debt reduction .....	-1,837	-2,032	-2,033
68.90 Spending authority from offsetting collections (total) .....	232		
<b>Relation of obligations to financing disbursements:</b>			
71.00 Total obligations .....	2,201	2,001	2,058
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....	1,150	1,067	
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-1,067		
87.00 Financing disbursements (gross) .....	2,284	3,068	2,058
<b>Adjustments to financing authority and financing disbursements:</b>			
<b>Offsetting collections from:</b>			
88.00 Payments from program account .....	-48	-54	-56
88.40 Non-Federal sources .....	-2,021	-1,978	-1,977
88.90 Total, offsetting collections .....	-2,069	-2,032	-2,033
89.00 Financing authority (net) .....	132	-31	25
90.00 Financing disbursements (net) .....	214	1,036	25

Status of Direct Loans (in thousands of dollars)

Identification code 36-4112-0-3-702	1994 actual	1995 est.	1996 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....	2,201	1,964	2,022
1150 Total direct loan obligations .....	2,201	1,964	2,022
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	637	878	854
1231 Disbursements: Direct loan disbursements .....	2,201	1,964	2,022
1251 Repayments: Repayments and prepayments .....	-1,951	-1,978	-1,977
1263 Write-offs for default: Direct loans .....	-9	-10	-10
1290 Outstanding, end of year .....	878	854	889

Balance Sheet (in thousands of dollars)

Identification code 36-4112-0-3-702	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury .....		2,476	1,020	1,129
1106 Investments in US securities: Receivables, net .....		208		
<b>Net value of assets related to post-1991 direct loans receivable:</b>				
1401 Direct loans receivable, gross .....		878	854	889
1499 Net present value of assets related to direct loans .....		878	854	889
1999 Total assets .....		3,562	1,874	2,018
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2101 Accounts payable .....		355		

**Credit accounts—Continued**

**VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT—Continued**

**Balance Sheet (in thousands of dollars)—Continued**

Identification code 36-4112-0-3-702	1993 actual	1994 actual	1995 est.	1996 est.
2102 Interest payable .....		138	123	127
2103 Debt .....		2,424	2,837	2,812
2999 Total liabilities .....		2,917	2,960	2,939
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....		645	-1,086	-921
3999 Total net position .....		645	-1,086	-921
4999 Total liabilities and net position .....		3,562	1,874	2,018

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.

**Object Classification (in thousands of dollars)**

Identification code 36-4112-0-3-702	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....	2,201	1,964	2,022
43.0 Interest and dividends .....		37	36
99.9 Total obligations .....	2,201	2,001	2,058

**VOCATIONAL REHABILITATION REVOLVING FUND LIQUIDATING ACCOUNT**

**Program and Financing (in thousands of dollars)**

Identification code 36-4114-0-3-702	1994 actual	1995 est.	1996 est.
<b>Financing:</b>			
21.90 Unobligated balance available, start of year: Fund balance .....	-1,721		
24.90 Unobligated balance available, end of year: Fund balance .....			
27.00 Capital transfer to general fund .....	1,721		
39.00 Budget authority .....			
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....			
90.00 Outlays .....			

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

**Balance Sheet (in thousands of dollars)**

Identification code 36-4114-0-3-702	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	1,721			
1999 Total assets .....	1,721			
<b>NET POSITION:</b>				
3100 Appropriated capital .....	3,447			
3300 Cumulative results of operations .....	-1,726			
3999 Total net position .....	1,721			

4999 Total liabilities and net position .....	1,721		
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**Trust Funds**

**POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT**

**Unavailable Collections (in thousands of dollars)**

Identification code 36-8133-0-7-702	1994 actual	1995 est.	1996 est.
<b>Balance, start of year:</b>			
01.99 Balance, start of year .....	56,412	56,412	56,412
<b>Receipts:</b>			
02.01 Deductions from military pay .....	8,809	7,395	6,422
02.02 Contributions .....	27,718	28,305	20,978
02.99 Total receipts .....	36,527	35,700	27,400
04.00 Total: Balances and collections .....	92,939	92,112	83,812
<b>Appropriation:</b>			
05.01 Post-Vietnam era veterans education account .....	-36,527	-35,700	-27,400
05.99 Subtotal appropriation .....	-36,527	-35,700	-27,400
07.99 Total balance, end of year .....	56,412	56,412	56,412

**Program and Financing (in thousands of dollars)**

Identification code 36-8133-0-7-702	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Payment to post-Vietnam era trainees .....	46,621	33,963	24,833
00.02 Payment to section 901 trainees .....	1,493	1,391	1,299
00.03 Participant disenrollments .....	29,768	45,979	21,947
10.00 Total obligations .....	77,882	81,333	48,079
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-305,235	-263,880	-218,247
24.40 Unobligated balance available, end of year: Treasury balance .....	263,880	218,247	197,568
39.00 Budget authority .....	36,527	35,700	27,400
<b>Budget authority:</b>			
60.27 Appropriation (trust fund, indefinite) .....	45,336	43,095	33,822
60.45 Portion precluded from obligation .....	-8,809	-7,395	-6,422
63.00 Appropriation (total) .....	36,527	35,700	27,400
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	77,882	81,333	48,079
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....	7,726	5,706	4,193
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-5,706	-4,193	-3,014
90.00 Outlays .....	79,902	82,846	49,258

This account consists of voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense. The fund provides educational assistance payments to participants who entered the service after December 31, 1976, and are pursuing training under chapter 32, title 38, U.S.C. Section 901 is a non-contributory program with educational assistance provided by the Department of Defense. Public Law 99-576, enacted October 28, 1986, closed the program permanently for new enrollments effective March 31, 1987. The estimated activity in the fund follows:

**CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES**

	[In thousands]		
	1994 actual	1995 est.	1996 est.
Total budget authority .....	\$36,527	\$35,700	\$27,400
Servicepersons .....	\$8,809	\$7,395	\$6,422
Transferred from Department of Defense (bonus) .....	8,000	11,885	8,690
Transferred from Department of Defense (matching) .....	18,930	15,029	10,989
Transferred from Department of Defense (Section 901) .....	672	1,391	1,299
Transferred from Department of Defense (Section 903) .....	116		
Total participants (end of year) .....	375,020	340,429	325,729
Total contributors (end of year) .....	3,424	2,900	2,500

Average contribution per contributor (actual dollars)	\$2,573	\$2,550	\$2,569
Number of disenrollments	19,941	34,591	14,700
Total refunds	\$29,768	\$45,979	\$21,947
Total trainees	25,529	18,600	13,600
Total trainee cost	\$46,621	\$33,963	\$24,833
Average cost per trainee (actual dollars)	\$1,826	\$1,826	\$1,826
Section 901 trainees	277	258	241
Section 901 trainee cost	\$1,493	\$1,391	\$1,299

**The status of the fund, excluding noncash transactions, is as follows (in thousands of dollars):**

	1994 actual	1995 est.	1996 est.
Undisbursed balance of fund, start of year	-248,823	-198,659	-145,631
Cash income during the year: Proprietary receipts (contributions from servicepersons)	8,809	7,395	6,422
Intrabudgetary transactions: (contributions from Department of Defense)	27,718	28,305	20,978
Total annual income	36,527	35,700	27,400
Cash outlays during the year:			
Payments to trainees	48,114	35,354	26,132
Refunds to participants (disenrollments)	29,768	45,979	21,947
Total cash outlay	77,882	81,333	48,079
Balance unavailable for obligation	-8,809	-7,395	-6,422
Undisbursed balance of fund, end of year	198,659	145,631	118,530

**Object Classification (in thousands of dollars)**

Identification code 36-8133-0-7-702	1994 actual	1995 est.	1996 est.
41.0 Grants, subsidies, and contributions	48,114	35,354	26,132
44.0 Refunds	29,768	45,979	21,947
99.9 Total obligations	77,882	81,333	48,079

**NATIONAL SERVICE LIFE INSURANCE FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-8132-0-7-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
<b>Operating expenses:</b>			
00.01 Death claims	731,151	793,640	844,890
00.02 Disability claims	32,485	33,650	33,480
00.03 Matured endowments	37,209	38,300	30,500
00.04 Cash surrenders	21,953	20,860	19,820
00.05 Dividends	811,731	788,170	775,350
00.06 Interest paid on dividend credits and deposits	72,350	74,230	73,970
00.91 Total operating expenses	1,706,879	1,748,850	1,778,010
<b>Capital investment:</b>			
01.01 Policy loans	102,040	105,370	98,930
01.02 Policy liens	514	500	490
01.91 Total capital investment	102,554	105,870	99,420
10.00 Total obligations	1,809,433	1,854,720	1,877,430
<b>Financing:</b>			
21.91 Unobligated balance available, start of year:			
U.S. Securities: Par value	-10,739,205	-10,835,522	-10,882,992
24.91 Unobligated balance available, end of year:			
U.S. Securities: Par value	10,835,522	10,882,992	10,853,852
39.00 Budget authority (gross)	1,905,750	1,902,190	1,848,290
<b>Budget authority:</b>			
60.27 Appropriation (trust fund, indefinite)	1,417,259	1,370,830	1,335,290
68.00 Spending authority from offsetting collections	488,491	531,360	513,000

**Relation of obligations to outlays:**

71.00	Total obligations	1,809,433	1,854,720	1,877,430
<b>Obligated balance, start of year:</b>				
72.40	Treasury balance	6,076	13,559	5,000
72.41	U.S. Securities: Par value	927,128	1,016,821	1,070,010
<b>Obligated balance, end of year:</b>				
74.40	Treasury balance	-13,559	-5,000	-5,000

	1994 actual	1995 est.	1996 est.
74.41 U.S. Securities: Par value	-1,016,821	-1,070,010	-1,123,920
87.00 Outlays (gross)	1,712,257	1,810,090	1,823,520
<b>Adjustments to gross budget authority and outlays:</b>			
<b>Offsetting collections from:</b>			
<b>Non-Federal sources:</b>			
88.40 Repayments of loans	-118,873	-122,550	-119,630
88.40 Repayment of liens	-325	-320	-310
88.40 Optional settlements	-7,546	-7,400	-7,250
88.40 Net income offsets adjustments	-361,747	-401,090	-385,810
88.90 Total, offsetting collections	-488,491	-531,360	-513,000
89.00 Budget authority (net)	1,417,259	1,370,830	1,335,290
90.00 Outlays (net)	1,223,765	1,278,730	1,310,520

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

This fund was established in 1940 for the World War II servicemen's and veterans' insurance program. Over 22 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 (dollars in thousands):

	1994 actual	1995 est.	1996 est.
Number of policies	2,311,096	2,215,020	2,108,370
Insurance in force	\$20,270,413	\$19,916,600	\$19,496,300

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 Treasury interest-bearing securities and in policy loans, are expected to decrease from \$12,947 million as of September 30, 1995 to \$12,946 million as of September 30, 1996. The actuarial estimate of policy obligations as of September 30, 1996, total \$12,811 million, leaving a balance of \$74 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows (in thousands of dollars):

**Status of Funds (in thousands of dollars)**

Identification code 36-8132-0-7-701	1994 actual	1995 est.	1996 est.
<b>Unexpended balance, start of year:</b>			
0100 Treasury balance	6,076	13,559	5,000
0101 U.S. Securities: Par value	11,666,333	11,852,343	11,953,002
0199 Total balance, start of year	11,672,409	11,865,902	11,958,002
<b>Cash income during the year:</b>			
<b>Proprietary receipts:</b>			
0220 NSLI fund, Premium and other receipts	337,914	296,230	287,040
<b>Intragovernmental transactions:</b>			
0240 NSLI fund, Interest	1,077,491	1,072,910	1,046,730
0241 NSLI fund, Payments from general and special funds	1,854	1,690	1,520
<b>Offsetting collections:</b>			
0289 Offsetting Collections	488,491	531,360	513,000
0297 Income under present law	1,905,750	1,902,190	1,848,290
0299 Total cash income	1,905,750	1,902,190	1,848,290
<b>Cash outgo during year:</b>			
0500 National Service Life Insurance fund	-1,712,257	-1,810,090	-1,823,520
<b>Unexpended balance, end of year:</b>			
0700 Treasury balance	13,559	5,000	5,000
0701 U.S. Securities: Par value	11,852,343	11,953,002	11,977,772
0799 Total balance, end of year	11,865,902	11,958,002	11,982,772

**Object Classification (in thousands of dollars)**

Identification code 36-8132-0-7-701	1994 actual	1995 est.	1996 est.
33.0 Investments and loans	102,554	105,870	99,420
42.0 Insurance claims and indemnities	822,798	886,450	928,690
43.0 Interest and dividends	884,081	862,400	849,320

## NATIONAL SERVICE LIFE INSURANCE FUND—Continued

## Object Classification (in thousands of dollars)—Continued

Identification code 36-8132-0-7-701	1994 actual	1995 est.	1996 est.
99.9 Total obligations .....	1,809,433	1,854,720	1,877,430

## UNITED STATES GOVERNMENT LIFE INSURANCE FUND

## Program and Financing (in thousands of dollars)

Identification code 36-8150-0-7-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
Operating expenses:			
00.01 Death claims .....	9,581	9,460	8,560
00.02 Disability claims .....	294	260	230
00.03 Matured endowments .....	2,083	2,380	2,000
00.04 Cash surrenders .....	358	380	400
00.05 Dividends .....	7,372	6,440	5,650
00.06 Interest paid on dividend credits and deposits .....	1,171	1,120	1,140
00.91 Total operating expenses .....	20,859	20,040	17,980
Capital investment:			
01.01 Policy loans .....	596	510	460
01.02 Policy liens .....	7	10	10
01.91 Total capital investment .....	603	520	470
10.00 Total obligations .....	21,462	20,560	18,450
<b>Financing:</b>			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value .....	-105,371	-96,123	-85,943
24.91 Unobligated balance available, end of year: U.S. Securities: Par value .....	96,123	85,943	76,533
39.00 Budget authority (gross) .....	12,214	10,380	9,040
Budget authority:			
60.27 Appropriation (trust fund, indefinite) .....	9,925	8,360	7,300
68.00 Spending authority from offsetting collections .....	2,289	2,020	1,740
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	21,462	20,560	18,450
Obligated balance, start of year:			
72.40 Treasury balance .....	299	554	550
72.41 U.S. Securities: Par value .....	19,482	19,261	18,675
Obligated balance, end of year:			
74.40 Treasury balance .....	-554	-550	-550
74.41 U.S. Securities: Par value .....	-19,261	-18,675	-18,245
87.00 Outlays (gross) .....	21,428	21,150	18,880
Adjustments to gross budget authority and outlays:			
Offsetting collections from:			
Non-Federal sources:			
88.40 Repayments of loans .....	-1,936	-1,640	-1,400
88.40 Repayments of liens .....	-9	-10	-10
88.40 Optional settlements .....	-40	-40	-40
88.40 Net income offsets adjustments .....	-304	-330	-290
88.90 Total, offsetting collections .....	-2,289	-2,020	-1,740
89.00 Budget authority (net) .....	9,925	8,360	7,300
90.00 Outlays (net) .....	19,138	19,130	17,140

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 (dollars in thousands):

	1994 actual	1995 est.	1996 est.
Number of policies .....	27,384	25,144	23,134
Insurance in force .....	\$93,511	\$83,900	\$75,200

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 since 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 \$114 million as of September 30, 1995, to \$103 million as of September 30, 1996, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 1996, totals \$101 million, leaving a balance of \$2 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows (in thousands of dollars):

## Status of Funds (in thousands of dollars)

Identification code 36-8150-0-7-701	1994 actual	1995 est.	1996 est.
Unexpended balance, start of year:			
0100 Treasury balance .....	299	554	550
0101 U.S. Securities: Par value .....	124,853	115,384	104,618
0199 Total balance, start of year .....	125,152	115,938	105,168
Cash income during the year:			
Proprietary receipts:			
0220 Proprietary receipts .....	71		
Intragovernmental transactions:			
0240 Interest and profits on investments in public debt securities, USGLI, VA .....	9,656	8,355	7,296
0241 Payments from general and special funds, USGLI, VA .....	198	5	4
Offsetting collections:			
0289 Offsetting Collections .....	2,289	2,020	1,740
0297 Income under present law .....	12,214	10,380	9,040
0299 Total cash income .....	12,214	10,380	9,040
Cash outgo during year:			
0500 United States government life insurance fund .....	-21,428	-21,150	-18,880
Unexpended balance, end of year:			
0700 Treasury balance .....	554	550	550
0701 U.S. Securities: Par value .....	115,384	104,618	94,778
0799 Total balance, end of year .....	115,938	105,168	95,328

## Object Classification (in thousands of dollars)

Identification code 36-8150-0-7-701	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....	603	520	470
42.0 Insurance claims and indemnities .....	12,316	12,480	11,190
43.0 Interest and dividends .....	8,543	7,560	6,790
99.9 Total obligations .....	21,462	20,560	18,450

## VETERANS SPECIAL LIFE INSURANCE FUND

## Program and Financing (in thousands of dollars)

Identification code 36-8455-0-8-701	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
Operating expenses:			
00.01 Death claims .....	37,137	42,010	46,180
00.02 Cash surrenders .....	3,910	3,830	3,760
00.03 Dividends .....	105,087	101,950	103,170
00.04 All other .....	44,145	43,500	42,770
00.05 Payment to general operating expenses account .....			
00.91 Total operating expenses .....	190,279	191,290	195,880
Capital investment:			
01.01 Policy loans .....	15,566	16,010	15,540
01.02 Policy liens .....	32	30	30
01.91 Total capital investment .....	15,598	16,040	15,570
10.00 Total obligations .....	205,877	207,330	211,450
<b>Financing:</b>			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value .....	-1,344,499	-1,377,904	-1,407,134
24.91 Unobligated balance available, end of year: U.S. Securities: Par value .....	1,377,904	1,407,134	1,423,194

68.00	Budget authority (gross): Spending authority from offsetting collections .....	239,282	236,560	227,510
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations .....	205,877	207,330	211,450
Obligated balance, start of year:				
72.90	Treasury balance .....	735	1,469	1,000
72.91	U.S. Securities: Par value .....	117,125	131,019	134,078
Obligated balance, end of year:				
74.90	Treasury balance .....	-1,469	-1,000	-1,000
74.91	U.S. Securities: Par value .....	-131,019	-134,078	-138,198
87.00	Outlays (gross) .....	191,249	204,740	207,330
<b>Adjustments to gross budget authority and outlays:</b>				
Offsetting collections from:				
88.20	Interest on U.S. securities .....	-143,920	-141,630	-131,950
Non-Federal sources:				
88.40	Interest on loans .....	-3,865	-4,010	-5,280
88.40	Insurance premiums earned .....	-76,064	-73,780	-73,100
88.40	Optional settlements .....	-2,227	-2,440	-2,660
88.40	Repayments of loans .....	-13,162	-14,660	-14,480
88.40	Repayments of liens .....	-44	-40	-40
88.90	Total, offsetting collections .....	-239,282	-236,560	-227,510
89.00	Budget authority (net) .....			
90.00	Outlays (net) .....	-48,032	-31,820	-20,180

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

This fund 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 (dollars in thousands):

	1994 actual	1995 est.	1996 est.
Number of policies .....	268,368	261,091	253,971
Insurance in force .....	\$2,883,429	\$2,859,700	\$2,840,600

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

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

Statement of Operations (in thousands of dollars)

Identification code 36-8455-0-8-701	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue .....	229,515	229,068	224,670	215,740
0102 Expense .....	-230,184	-228,838	-225,243	-216,260
0109 Net income or loss (-) .....	-669	230	-573	-520

Balance Sheet (in thousands of dollars)

Identification code 36-8455-0-8-701	1993 actual	1994 actual	1995 est.	1996 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	735	1,469	1,000	1,000
Investments in US securities:				
1102 Treasury securities, par ..	1,461,624	1,508,923	1,541,212	1,561,395
1106 Receivables, net .....	35,695	36,235	36,550	34,050
1206 Non-Federal assets: Receivables, net .....	2,841	2,412	2,129	2,849
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	78,849	81,253	82,603	83,663
1999 Total assets .....	1,579,744	1,630,292	1,663,494	1,682,957
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	133,956	150,999	154,058	156,818
2206 Pension and other actuarial liabilities .....	1,399,045	1,434,612	1,465,756	1,483,386
2207 Other .....	22,380	20,087	19,660	19,250
2999 Total liabilities .....	1,555,381	1,605,698	1,639,474	1,659,454
<b>NET POSITION:</b>				
3100 Appropriated capital .....	1,344,499	1,377,904	1,407,134	1,423,194
3200 Invested capital .....	-1,320,136	-1,353,310	-1,383,114	-1,399,694
3999 Total net position .....	24,363	24,594	24,020	23,500
4999 Total liabilities and net position .....	1,579,744	1,630,292	1,663,494	1,682,954

Object Classification (in thousands of dollars)

Identification code 36-8455-0-8-701	1994 actual	1995 est.	1996 est.
33.0 Investments and loans .....	15,598	16,040	15,570
42.0 Insurance claims and indemnities .....	73,227	76,400	80,060
43.0 Interest and dividends .....	117,052	114,890	115,820
99.9 Total obligations .....	205,877	207,330	211,450

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 \$3,000,000 or more or where funds for a project were made available in a previous major project appropriation, [S\$355,612,000] \$513,755,000, to remain available until expended: *Provided*, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: [*Provided further*, That funds provided in this appropriation for fiscal year 1995, for each approved project shall be obligated (1) by the awarding of a construction documents contract by September 30, 1995, and (2) by the awarding of a construction contract by September 30, 1996: *Provided further*, That the Secretary shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures estab-

**General and special funds—Continued**

**CONSTRUCTION, MAJOR PROJECTS—Continued**

lished by section 1015 of the Impoundment Control Act of 1974 (title X of Public Law 93-344):] *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, 1995.*)

**Program and Financing (in thousands of dollars)**

Identification code 36-0110-0-1-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Replacement and modernization .....	252,591	207,665	146,840
00.02 Nursing home care .....	15,510	33,044	2,330
00.03 Domiciliaries .....	1,297	44	2
00.04 Research and education .....	6,420	8,550	1,542
00.05 Outpatient improvements .....	72,231	92,658	91,225
00.06 Other improvements .....	211,904	141,430	144,976
00.07 National cemeteries .....	5,651	37,448	8,618
00.08 Replacement or renovation of regional offices .....	19,468	33,448	4,912
10.00 Total obligations .....	585,072	554,287	400,445
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-1,002,135	-891,163	-691,170
22.00 Unobligated balance transferred, net .....	-14,000		
24.40 Unobligated balance available, end of year: Treasury balance .....	891,163	691,170	804,480
39.00 Budget authority .....	460,100	354,294	513,755
<b>Budget authority:</b>			
40.00 Appropriation .....	414,600	355,612	513,755
40.75 Procurement reduction pursuant to P.L. 103-327 .....		-1,318	
41.00 Transferred to other accounts .....	-2,000		
42.00 Transferred from other accounts .....	47,500		
43.00 Appropriation (total) .....	460,100	354,294	513,755
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	585,072	554,287	400,445
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....	682,040	810,331	898,672
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-810,331	-898,672	-858,173
90.00 Outlays .....	456,781	465,946	440,944

The major construction request would improve access to VA health care for thousands of veterans and expand VA's national cemetery system. Funds are included to pay the full cost of constructing a new hospital and nursing home in Brevard County, Florida and a new hospital at Travis Air Force Base in California. The request would also correct patient environment deficiencies at the hospitals in Lebanon, Pennsylvania; Marion, Illinois; Marion, Indiana; Perry Point, Maryland; Reno, Nevada; and Salisbury, North Carolina. Outpatient improvements will be funded at Boston, Massachusetts. Additional funds are provided to remove asbestos from Department-owned buildings and pay VA's share of the costs related to the cleanup of hazardous materials.

(In thousands of dollars)

	1994 actual	1995 est.	1996 est.
Replacement and modernization .....	202,700	104,900	343,200
Research and Education .....		26,000	
Outpatient and extended care .....	35,226	208,747	118,200
Safety deficiencies .....	2,000	9,800	18,125
Functional modernization and plant maintenance .....	199,709	19,250	32,300
Other departments .....	42,300	12,915	7,140
Supplemental appropriation provided under P.L. 103-211 .....	91,100		
Reprogramming/transfer .....	-106,770	-26,000	
Design fund offset .....	-6,165		-5,210
Procurement reduction pursuant to P.L. 103-327 .....		-1,318	

Total budget authority .....	460,100	354,294	513,755
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**Object Classification (in thousands of dollars)**

Identification code 36-0110-0-1-703	1994 actual	1995 est.	1996 est.
11.3 Personnel compensation: Other than full-time permanent .....	1,161	1,200	1,300
12.1 Civilian personnel benefits .....	85	87	90
22.0 Transportation of things .....	35	30	30
23.3 Communications, utilities, and miscellaneous charges .....	550	450	350
25.1 Advisory and assistance services .....	420	400	275
25.2 Other services .....	43,699	36,500	26,000
26.0 Supplies and materials .....	1,007	1,100	1,000
31.0 Equipment .....	3,899	4,700	3,200
32.0 Land and structures .....	534,216	509,820	368,200
99.9 Total obligations .....	585,072	554,287	400,445

**Personnel Summary**

Identification code 36-0110-0-1-703	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment .....	26	50	50

**CONSTRUCTION, MINOR PROJECTS**

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than \$3,000,000, [\$153,540,000] \$229,145,000, 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 \$3,000,000: *Provided*, That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department of Veterans Affairs 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, 1995.*)

**Program and Financing (in thousands of dollars)**

Identification code 36-0111-0-1-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Nursing home care .....	28,432	13,375	22,458
00.02 Research and education .....	9,161	8,479	3,234
00.04 Other improvements .....	94,411	97,369	160,668
00.05 Emergency fund .....	95	453	19
00.06 National cemeteries .....	11,908	10,941	8,583
00.07 Computer centers, additions and alterations .....	3,128	8,075	6,551
00.08 Replacement or renovation of regional offices .....	10,955	11,208	5,001
10.00 Total obligations .....	158,090	149,900	206,514
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-31,452	-28,902	-31,936
24.40 Unobligated balance available, end of year: Treasury balance .....	28,902	31,936	54,567
39.00 Budget authority .....	155,540	152,934	229,145
<b>Budget authority:</b>			
40.00 Appropriation .....	153,540	153,540	229,145
40.75 Procurement reduction pursuant to P.L. 103-327 .....		-606	
42.00 Transferred from other accounts .....	2,000		
43.00 Appropriation (total) .....	155,540	152,934	229,145
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	158,090	149,900	206,514

72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	151,718	137,989	132,229
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-137,989	-132,229	-165,537
90.00	Outlays	171,819	155,660	173,206

The Construction, minor projects appropriation, which funds construction projects costing less than \$3 million, is used to reduce risks to patient life and safety, correct code deficiencies, and improve ambulatory care settings.

Object Classification (in thousands of dollars)				
Identification code 36-0111-0-1-703				
	1994 actual	1995 est.	1996 est.	
Personnel compensation:				
11.3	Other than full-time permanent	3,814	4,500	4,700
11.9	Total personnel compensation	3,814	4,500	4,700
12.1	Civilian personnel benefits	288	337	350
22.0	Transportation of things	11	10	25
23.3	Communications, utilities, and miscellaneous charges	176	175	225
25.2	Other services	31,969	22,500	30,900
26.0	Supplies and materials	1,770	2,200	3,100
31.0	Equipment	3,080	3,100	6,100
32.0	Land and structures	116,982	117,078	161,114
99.9	Total obligations	158,090	149,900	206,514

Personnel Summary

Identification code 36-0111-0-1-703				
	1994 actual	1995 est.	1996 est.	
1001	Total compensable workyears: Full-time equivalent employment	72	80	80

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several 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 law (38 U.S.C. 8131-8137), [\$47,397,000] \$43,740,000, to remain available until expended. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 36-0181-0-1-703				
	1994 actual	1995 est.	1996 est.	
Program by activities:				
10.00	Total obligations (object class 41.0)	61,752	43,004	43,740
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance	-26,450	-5,778	-10,171
24.40	Unobligated balance available, end of year: Treasury balance	5,778	10,171	10,171
40.00	Budget authority (appropriation)	41,080	47,397	43,740
Relation of obligations to outlays:				
71.00	Total obligations	61,752	43,004	43,740
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	129,592	145,834	129,906
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-145,834	-129,906	-132,187
77.00	Adjustments in expired accounts	-1,001		
90.00	Outlays	44,509	58,932	41,459

In 1995, the Department will obligate \$43,740 thousand to assist approximately eight States acquire or construct State Home facilities for furnishing domiciliary or nursing home care to veterans, and expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by law (38 U.S.C. 2408), [\$5,378,000] \$1,000,000, to remain available until September 30, [1997] 1998. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 36-0183-0-1-705				
	1994 actual	1995 est.	1996 est.	
Program by activities:				
10.00	Total obligations (object class 41.0)	3,808	10,305	6,232
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance	-8,725	-10,159	-5,232
24.40	Unobligated balance available, end of year: Treasury balance	10,159	5,232	
40.00	Budget authority (appropriation)	5,242	5,378	1,000
Relation of obligations to outlays:				
71.00	Total obligations	3,808	10,305	6,232
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	4,519	6,634	11,773
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-6,634	-11,773	-15,592
77.00	Adjustments in expired accounts	-20		
90.00	Outlays	1,673	5,166	2,413

This program will enable the Department to assist States in establishing, expanding, or improving State-operated veteran cemeteries.

[GRANTS TO THE REPUBLIC OF THE PHILIPPINES]

[For payment to the Republic of the Philippines of grants, as authorized by law (38 U.S.C. 1732), for assisting in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of the Veterans Memorial Medical Center, \$500,000, to remain available until September 30, 1996.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 36-0144-0-1-703				
	1994 actual	1995 est.	1996 est.	
Program by activities:				
10.00	Total obligations (object class 41.0)	358	500	
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance	-28	-170	-170
24.40	Unobligated balance available, end of year: Treasury balance	170	170	170
40.00	Budget authority (appropriation)	500	500	
Relation of obligations to outlays:				
71.00	Total obligations	358	500	
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	1,285	632	632
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-632	-632	-132
77.00	Adjustments in expired accounts	-13		
90.00	Outlays	998	500	500

This program previously provided for the continued effective care and treatment of U.S. veterans in the Veterans Memorial Medical Center (VMMC). However, with the suspension of U.S. veteran admission to the VMMC, the continuing appropriation of U.S. funds to maintain and upgrade the physical plant at this facility will be discontinued.

**Public enterprise funds:**

**PARKING REVOLVING FUND**

For the parking revolving fund as authorized by law (38 U.S.C. 8109), [\$16,300,000, together with] income from fees collected, to remain available until expended. Resources of this fund shall be available for all expenses authorized by 38 U.S.C. 8109 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, 1995.)

**Program and Financing (in thousands of dollars)**

Identification code 36-4538-0-3-703	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.01 Operating expenses: Parking leases .....	1,353	1,400	1,400
01.01 Capital investment: parking construction program .....	10,272	16,990	2,010
10.00 Total obligations .....	11,625	18,390	3,410
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-48,246	-25,426	-25,905
22.00 Unobligated balance transferred, net .....	14,000		
24.40 Unobligated balance available, end of year: Treasury balance .....	25,426	25,905	25,788
39.00 Budget authority (gross) .....	2,805	18,869	3,293
<b>Budget authority:</b>			
<b>Current:</b>			
40.00 Appropriation .....	1,353	16,300	
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections .....	1,452	2,569	3,293
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	11,625	18,390	3,410
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....	26,178	17,411	25,952
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-17,411	-25,952	-22,272
87.00 Outlays (gross) .....	20,392	9,849	7,090
<b>Adjustments to gross budget authority and outlays:</b>			
88.40 Offsetting collections from: Non-Federal sources .....	-1,452	-2,569	-3,293
89.00 Budget authority (net) .....	1,353	16,300	
90.00 Outlays (net) .....	18,940	7,280	3,797

The Parking Revolving Fund provides funding for leases of parking facilities at various medical centers.

**Object Classification (in thousands of dollars)**

Identification code 36-4538-0-3-703	1994 actual	1995 est.	1996 est.
23.2 Rental payments to others .....	1,353	1,400	1,400
32.0 Land and structures .....	10,272	16,990	2,010
99.9 Total obligations .....	11,625	18,390	3,410

**PERSHING HALL REVOLVING FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-4018-0-3-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
10.00 Total obligations (object class 32.0) .....	339	185	100
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-361	-131	-1,250
24.40 Unobligated balance available, end of year: Treasury balance .....	131	1,250	1,360
68.00 Budget authority (gross): Spending authority from offsetting collections .....	109	1,304	210
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	339	185	100

72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance .....	308	309	224
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance .....	-309	-224	
87.00 Outlays (gross) .....	338	270	324
<b>Adjustments to gross budget authority and outlays:</b>			
88.40 Offsetting collections from: Non-Federal sources .....	-109	-1,304	-210
89.00 Budget authority (net) .....			
90.00 Outlays (net) .....	229	-1,034	114

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.

**NURSING HOME REVOLVING FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-4013-0-3-703	1994 actual	1995 est.	1996 est.
<b>Financing:</b>			
17.00 Recovery of prior year obligations .....	-70		
21.90 Unobligated balance available, start of year: Fund balance .....	-311	-381	-381
24.90 Unobligated balance available, end of year: Fund balance .....	381	381	381
39.00 Budget authority .....			
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....			
78.00 Adjustments in unexpired accounts .....	-70		
90.00 Outlays .....	-70		

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**

**Federal Funds**

**General and special funds:**

**GENERAL OPERATING EXPENSES**

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; 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; [\$890,600,000, of which \$25,500,000, for the acquisition of automated data processing equipment and services to support the modernization program in the Veterans Benefits Administration, shall not become available for obligation until September 1, 1995, and shall remain available for obligation until September 30, 1996] \$915,643,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995).

**Program and Financing (in thousands of dollars)**

Identification code 36-0151-0-1-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
<b>Direct program:</b>			
<b>Veterans benefits:</b>			
00.01 Executive direction .....	32,771	32,385	31,051
00.02 Veterans assistance .....	76,578	74,534	78,557
00.03 Compensation, pension, and education .....	176,869	204,429	207,020

00.05	Insurance .....	13,540	14,564	14,830
00.06	Vocational rehabilitation and counseling .....	37,440	38,382	40,066
00.07	Support services .....	183,675	202,251	222,941
00.08	Information Resources Management .....	106,832	84,039	125,146
00.11	General administration .....	218,583	214,109	221,532
00.91	Subtotal, direct program .....	846,288	864,693	941,143
	Reimbursable program:			
01.01	Loan Guaranty .....	85,819	83,718	87,834
01.02	Other .....	133,760	122,049	121,257
01.92	Subtotal, reimbursable program .....	219,579	205,767	209,091
10.00	Total obligations .....	1,065,867	1,070,460	1,150,234
<b>Financing:</b>				
21.40	Unobligated balance available, start of year: Treasury balance .....	-20,000		-25,500
24.40	Unobligated balance available, end of year: Treasury balance .....		25,500	
25.00	Unobligated balance expiring .....	1,162		
39.00	Budget authority (gross) .....	1,047,029	1,095,960	1,124,734
	Budget authority:			
	Current:			
40.00	Appropriation .....	826,749	890,600	915,643
40.75	Procurement reduction pursuant to P.L. 103-327 .....		-407	
42.00	Transferred from other accounts .....	701		
43.00	Appropriation (total) .....	827,450	890,193	915,643
	Permanent:			
68.00	Spending authority from offsetting collections .....	219,579	205,767	209,091
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations .....	1,065,867	1,070,460	1,150,234
	Obligated balance, start of year:			
72.10	Receivables from other government accounts .....	-8,144	-10,032	-9,358
72.40	Unpaid obligations: Treasury balance .....	109,366	110,766	116,181
	Obligated balance, end of year:			
74.10	Receivables from other government accounts .....	10,032	9,358	9,551
74.40	Unpaid obligations: Treasury balance .....	-110,766	-116,181	-131,001
77.00	Adjustments in expired accounts .....	2,492		
87.00	Outlays (gross) .....	1,068,847	1,064,371	1,135,607
	Adjustments to gross budget authority and outlays:			
88.00	Offsetting collections from: Federal sources .....	-219,579	-205,767	-209,091
89.00	Budget authority (net) .....	827,450	890,193	915,643
90.00	Outlays (net) .....	849,268	858,604	926,516

This appropriation provides for the administration of nonmedical 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. The 1996 request includes funds to continue VBA initiatives to improve the delivery of veterans benefits through the use of modern technology.

**Veterans benefits.**—Determines eligibility and adjudicates all claims for compensation, pensions, educational assistance, housing loan assistance, and insurance awards. Greater efficiencies will be achieved as a result of an initiative to modernize the data processing and telecommunications capabilities of VBA. A summary of VBA's program objectives and anticipated workload is included in the following paragraphs:

**Veterans assistance.**—Provides information, advice, and assistance concerning veterans' benefits under the law to all veterans, their dependents, and survivors.

		WORKLOAD		
		(In thousands)		
		1994 actual	1995 est.	1996 est.
Veterans assistance:				
	Veterans assistance contacts and other .....	12,002	11,545	11,545
	Fiduciary and field examinations .....	106	100	100
	Compliance surveys/liaison action .....	37	34	34

**Compensation, pension, and education.**—Provides timely and efficient processing of claims for veterans and depend-

ents relating to compensation, pension, and education benefits under the various laws enacted by Congress.

		WORKLOAD		
		(In thousands)		
		1994 actual	1995 est.	1996 est.
Compensation and pensions:				
	Original claims .....	462	443	421
	Adjustments/supplemental claims .....	1,857	1,412	1,385
	Ancillary actions/claims .....	957	816	589
	Vocational rehabilitation .....	76	70	61
	Education: original claims .....	246	251	262
	Adjustments/supplemental claims .....	1,084	1,195	1,305

**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)		
		1994 actual	1995 est.	1996 est.
Loan guaranty:				
	Construction and valuation .....	1,045	933	1,039
	Loan processing .....	1,281	851	949
	Loan service and claims .....	430	436	375
	Property management .....	61	73	62

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

		WORKLOAD		
		(In thousands)		
		1994 actual	1995 est.	1996 est.
Vocational rehabilitation and counseling:				
	Evaluation and planning .....	42	44	45
	Rehabilitation services .....	44	48	49
	Employment services status .....	6	7	7
	Interrupted status .....	17	16	16
	Vocational/educational counseling .....	19	23	23

**Insurance.**—Provides life insurance protection for servicepersons and veterans. The VA administers five life insurance programs and supervises three others through contractual agreements with commercial companies.

		WORKLOAD		
		(In thousands)		
		1994 actual	1995 est.	1996 est.
Insurance:				
	Policy service actions .....	1,888	1,822	1,818
	Collections .....	2,827	2,599	2,507
	Disability claims .....	57	54	57
	Insurance awards .....	352	473	516

**General administration.**—Contains Department executive direction and supporting offices, the General Counsel, the Board of Veterans Appeals, and the Board of Contract Appeals.

		Object Classification (in thousands of dollars)		
		1994 actual	1995 est.	1996 est.
Identification code 36-0151-0-1-705				
Direct obligations:				
Personnel compensation:				
	Full-time permanent .....	462,476	490,717	508,892
	Other personnel compensation .....	19,078	13,155	9,544
	Special personal services payments .....	179	95	97
	Total personnel compensation .....	481,733	503,967	518,533
	Civilian personnel benefits .....	98,801	103,693	110,798
	Benefits for former personnel .....	9,085	2,628	
Travel and transportation of persons:				
	Employee travel .....	9,296	12,395	13,806
	Interagency motor pool payments .....	2,129	2,560	2,604

**General and special funds—Continued**

**GENERAL OPERATING EXPENSES—Continued**

**Object Classification (in thousands of dollars)—Continued**

Identification code 36-0151-0-1-705	1994 actual	1995 est.	1996 est.
22.0 Transportation of things .....	2,190	1,591	1,602
23.1 Rental payments to GSA .....	79,513	85,579	90,958
23.2 Rental payments to others .....	11,415	12,455	12,011
23.3 Communications, utilities, and miscellaneous charges .....	34,548	47,706	50,793
24.0 Printing and reproduction .....	5,653	5,986	7,142
25.1 Advisory and assistance services .....	463		
25.2 Other services .....	55,187	70,387	75,310
26.0 Supplies and materials .....	17,705	9,436	19,812
31.0 Equipment .....	38,186	5,899	37,346
42.0 Insurance claims and indemnities .....	384	411	428
99.0 Subtotal, direct obligations .....	846,288	864,693	941,143
99.0 Reimbursable obligations .....	219,579	205,767	209,091
99.9 Total obligations .....	1,065,867	1,070,460	1,150,234

**Personnel Summary**

Identification code 36-0151-0-1-705	1994 actual	1995 est.	1996 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment <sup>1</sup> .....	12,547	12,775	12,645
1005 Full-time equivalent of overtime and holiday hours .....	292	207	171
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	3,985	3,367	3,290

<sup>1</sup> Reflects common service FTE treated as reimbursements in all years and the effects of Credit Reform, per P.L. 101-508.

**OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [S31,819,000] \$33,500,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)

**Program and Financing (in thousands of dollars)**

Identification code 36-0170-0-1-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.10 Direct program .....	31,402	31,815	33,500
01.01 Reimbursable program .....	782	1,111	1,153
10.00 Total obligations .....	32,184	32,926	34,653
<b>Financing:</b>			
25.00 Unobligated balance expiring .....	34		
39.00 Budget authority (gross) .....	32,218	32,926	34,653
Budget authority:			
Current:			
40.00 Appropriation .....	31,436	31,819	33,500
40.75 Procurement reduction pursuant to P.L. 103-327 .....		-4	
43.00 Appropriation (total) .....	31,436	31,815	33,500
Permanent:			
68.00 Spending authority from offsetting collections .....	782	1,111	1,153
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	32,184	32,926	34,653
Obligated balance, start of year:			
72.10 Receivables from other government accounts .....		-245	-71
72.40 Unpaid obligations: Treasury balance .....	5,321	5,989	1,659
Obligated balance, end of year:			
74.10 Receivables from other government accounts .....	245	71	75
74.40 Unpaid obligations: Treasury balance .....	-5,989	-1,659	-1,747
77.00 Adjustments in expired accounts .....	-55		
87.00 Outlays (gross) .....	31,706	37,082	34,569

Adjustments to gross budget authority and outlays:				
88.00	Offsetting collections from: Federal sources .....	-782	-1,111	-1,153
89.00	Budget authority (net) .....	31,436	31,815	33,500
90.00	Outlays (net) .....	30,924	35,971	33,416

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. The investigative function conducts proactive and reactive investigations of improper and illegal activities involving VA programs, personnel, beneficiaries, and other third parties. The support function provides normal office administrative support as well as contract audit services for all applicable Department contracts, personnel, and information security for the VA, and legislatively mandated medical care quality assurance review and oversight.

Public Law 100-527, the Department of Veterans Affairs Act, established a minimum level of full-time positions for the Office of Inspector General (IG) based on the number of full-time positions as of the date of enactment, plus an additional 40 positions. The minimum level for VA's IG office is 417 FTE. This budget request funds 399 FTE positions; 18 fewer than the Secretary is required to provide for under Public Law 100-527.

**Object Classification (in thousands of dollars)**

Identification code 36-0170-0-1-705	1994 actual	1995 est.	1996 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	21,761	22,222	23,069
11.5 Other personnel compensation .....	895	989	1,406
11.9 Total personnel compensation .....	22,656	23,211	24,475
12.1 Civilian personnel benefits .....	4,442	4,754	5,148
13.0 Benefits for former personnel .....		160	163
<b>Travel and transportation of persons:</b>			
21.0 Travel and transportation of persons .....	1,618	1,857	1,859
21.0 Motor pool travel .....	123	133	135
22.0 Transportation of things .....	69	52	53
23.1 Rental payments to GSA .....	1,383	1,576	1,611
23.3 Communications, utilities, and miscellaneous charges .....	300	326	352
24.0 Printing and reproduction .....	46	36	36
25.2 Other services .....	1,062	635	635
26.0 Supplies and materials .....	194	134	134
31.0 Equipment .....	290	52	52
42.0 Insurance claims and indemnities .....	1		
99.9 Total obligations .....	32,184	32,926	34,653

**Personnel Summary**

Identification code 36-0170-0-1-705	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment .....	411	400	399

**NATIONAL CEMETERY SYSTEM**

For necessary expenses for the maintenance and operation of the National Cemetery System not otherwise provided for, including uniforms or allowances therefor, as authorized by law; cemeterial expenses as authorized by law; purchase of three passenger motor vehicles, for use in cemeterial operations; and hire of passenger motor vehicles, [S72,663,000] \$75,308,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.)

**Program and Financing (in thousands of dollars)**

Identification code 36-0129-0-1-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
00.10 Direct obligations .....	70,397	72,604	75,308

01.01	Reimbursable obligations .....	101	100	100
10.00	Total obligations .....	70,498	72,704	75,408
<b>Financing:</b>				
25.00	Unobligated balance expiring .....	110		
39.00	Budget authority (gross) .....	70,608	72,704	75,408
Budget authority:				
Current:				
40.00	Appropriation .....	70,507	72,663	75,308
40.75	Procurement reduction pursuant to P.L. 103-327 .....		-59	
43.00	Appropriation (total) .....	70,507	72,604	75,308
Permanent:				
68.00	Spending authority from offsetting collections .....	101	100	100
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations .....	70,498	72,704	75,408
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance .....	22,500	10,540	7,260
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance .....	-10,540	-7,260	-7,541
77.00	Adjustments in expired accounts .....	-154		
87.00	Outlays (gross) .....	82,304	75,984	75,127
Adjustments to gross budget authority and outlays:				
88.40	Offsetting collections from: Non-Federal sources .....	-101	-100	-100
89.00	Budget authority (net) .....	70,507	72,604	75,308
90.00	Outlays (net) .....	82,203	75,884	75,027

The following performance indicators pertain to several of the key operation and maintenance functions of the National Cemetery System. Summary information is presented on the productivity, timeliness, and accuracy of the cemeterial and headstone/marker activities of the organization.

	1990 actual	1993 actual	1994 actual
Average days to complete applications for:			
Stone monuments .....	19	18	20
Bronze markers .....	9	14	16
Monument application error rate .....	0.5%	0.7%	1.1%
Wage grade FTE .....	781.9	828.0	828.5
Interments per FTE .....	224	250	250
Acres maintained per FTE .....	12.8	13.3	12.8
Gravesites maintained per FTE .....	10,218	9,874	13,095

**Memorial affairs.**—Provides for the administration of the National Cemetery System. Cemeterial operations include overall program administration, maintenance of grounds and equipment, and headstone procurement and assignment. Key workload data follows:

**WORKLOAD**

[In thousands]

	1994 actual	1995 est.	1996 est.
Headstone applications .....	315,383	346,000	340,000
Interments .....	68,836	70,319	72,224

**Object Classification (in thousands of dollars)**

Identification code 36-0129-0-1-705	1994 actual	1995 est.	1996 est.	
<b>Direct obligations:</b>				
Personnel compensation:				
11.1	Full-time permanent .....	35,522	36,969	38,177
11.3	Other than full-time permanent .....	4,390	5,299	5,703
11.5	Other personnel compensation .....	548	149	149
11.9	Total personnel compensation .....	40,460	42,417	44,029
12.1	Civilian personnel benefits .....	10,449	11,385	11,789
21.0	Travel and transportation of persons .....	592	700	731
22.0	Transportation of things .....	176	192	180
23.1	Rental payments to GSA .....	887	907	927
23.3	Communications, utilities, and miscellaneous charges .....	2,986	3,352	3,712
24.0	Printing and reproduction .....	292	330	336
25.2	Other services .....	7,560	7,055	7,295
26.0	Supplies and materials .....	4,613	4,235	4,409
31.0	Equipment .....	2,382	2,031	1,900
99.0	Subtotal, direct obligations .....	70,397	72,604	75,308

99.0	Reimbursable obligations .....	101	100	100
99.9	Total obligations .....	70,498	72,704	75,408

**Personnel Summary**

Identification code 36-0129-0-1-705	1994 actual	1995 est.	1996 est.	
1001	Total compensable workyears: Full-time equivalent employment .....	1,311	1,340	1,340

**Intragovernmental funds:**

**SUPPLY FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-4537-0-4-705	1994 actual	1995 est.	1996 est.	
<b>Program by activities:</b>				
Operating expenses:				
Procurement, distribution, and services program:				
00.01	Cost of goods sold .....	397,368	586,850	631,090
00.02	Other .....	45,735	38,206	36,572
Publication and reproduction program:				
00.03	Cost of goods sold .....	11,476	13,150	13,348
00.04	Other .....	5,781	5,690	5,885
00.91	Total operating expenses .....	460,360	643,896	686,895
Capital investment:				
01.01	Procurement, distribution, and services program: Purchase of .....	861	1,566	1,500
01.02	Publication and reproduction program: Purchase of equipment .....	14	71	
01.91	Total capital investment .....	875	1,637	1,500
10.00	Total obligations .....	461,235	645,533	688,395
<b>Financing:</b>				
21.90	Unobligated balance available, start of year: Fund balance .....	-80,734	-105,651	-31,001
24.90	Unobligated balance available, end of year: Fund balance .....	105,651	31,001	30,000
27.00	Capital transfer to general fund .....	45,000	44,000	
68.00	Budget authority (gross): Spending authority from offsetting collections .....	531,152	614,883	687,394
<b>Relation of obligations to outlays:</b>				
71.00	Total obligations .....	461,235	645,533	688,395
Obligated balance, start of year:				
72.10	Receivables from other government accounts .....	-36,006	-14,001	-15,000
72.90	Fund balance .....	142,994	109,111	140,760
Obligated balance, end of year:				
74.10	Receivables from other government accounts .....	14,001	15,000	24,108
74.90	Fund balance .....	-109,111	-140,760	-146,869
87.00	Outlays (gross) .....	473,113	614,883	691,394
Adjustments to gross budget authority and outlays:				
88.00	Offsetting collections from: Federal sources .....	-531,152	-614,883	-687,394
89.00	Budget authority (net) .....			
90.00	Outlays (net) .....	-58,039		4,000

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. During 1994, the Supply Fund completed its conversion from a depot storage to a vendor, just-in-time, delivery system. As a result, the supply depot in Bell, California was closed and the supply depots in Hines, Illinois and Somerville, New Jersey were converted to service and distribution centers.

**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 publications depot; (5) a service and reclamation program; (6) a national prosthetics distribution center; and (7) an asset management service.

**Intragovernmental funds—Continued**

**SUPPLY FUND—Continued**

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.

**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 1996, Supply Fund sales are estimated to reach \$630 million. Average inventory needed to support those sales will be \$40 million.

**Operating results.**—The Fund operated at a loss of \$20 million in 1994. The new total of retained earnings is \$36.4 million, which has been used to finance inventory growth. Operating expense as related to sales was 10.2 percent.

**FTE.**—FTE estimates for 1995 and 1996 reflect the transfer of three FTE from the Supply Fund to the Office of Finance and Information Resources Management. These FTE will be located in Austin, Texas and will perform acquisitions funded by Austin-based VA organizational elements.

**Object Classification (in thousands of dollars)**

Identification code 36-4537-0-4-705	1994 actual	1995 est.	1996 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	22,677	19,997	18,432
11.3 Other than full-time permanent .....	15		
11.5 Other personnel compensation .....	2,175	1,027	1,066
11.9 Total personnel compensation .....	24,867	21,024	19,498
12.1 Civilian personnel benefits .....	5,893	4,699	4,700
<b>Travel and transportation of persons:</b>			
21.0 Employee travel .....	1,707	1,675	1,940
21.0 Interagency motor pool payments .....	64	75	78
22.0 Transportation of things .....	6,402	3,500	3,550
23.1 Rental payments to GSA .....	2,335	1,749	1,787
23.2 Rental payments to others .....		90	60
23.3 Communications, utilities, and miscellaneous charges .....	1,789	2,009	1,972
24.0 Printing and reproduction .....	11,758	13,150	13,568
25.1 Advisory and assistance services .....	2,200	2,117	2,420
25.2 Other services .....	7,771	6,548	5,513
26.0 Supplies and materials .....	245,802	377,260	393,852
<b>Equipment:</b>			
31.0 Equipment for use of fund .....	875	1,637	1,500
31.0 Equipment for sale to others .....	149,772	210,000	237,957
99.9 Total obligations .....	461,235	645,533	688,395

**Personnel Summary**

Identification code 36-4537-0-4-705	1994 actual	1995 est.	1996 est.
<b>Total compensable workyears:</b>			
5001 Full-time equivalent employment .....	589	466	419
5005 Full-time equivalent of overtime and holiday hours .....	9	4	6

**Trust Funds**

**NATIONAL CEMETERY GIFT FUND**

**Program and Financing (in thousands of dollars)**

Identification code 36-8129-0-7-705	1994 actual	1995 est.	1996 est.
<b>Program by activities:</b>			
10.00 Total obligations .....	19	50	45
<b>Financing:</b>			
21.40 Unobligated balance available, start of year: Treasury balance .....	-81	-88	-68
24.40 Unobligated balance available, end of year: Treasury balance .....	88	68	53
60.27 Budget authority (appropriation) (trust fund, indefinite) .....	26	30	30
<b>Relation of obligations to outlays:</b>			
71.00 Total obligations .....	19	50	45

72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance .....	47	4	4
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance .....	-4	-4	-4
90.00 Outlays .....	62	50	45

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 thousands of dollars)**

Identification code 36-8129-0-7-705	1994 actual	1995 est.	1996 est.
26.0 Supplies and materials .....	10	28	25
31.0 Equipment .....	9	22	20
99.9 Total obligations .....	19	50	45

**ADMINISTRATIVE PROVISIONS**

**(INCLUDING TRANSFER OF FUNDS)**

Any appropriation for [1995] 1996 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

Appropriations available to the Department of Veterans Affairs for [1995] 1996 for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the 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.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Secretary of Veterans Affairs.

Appropriations available to the Department of Veterans Affairs for fiscal year [1995] 1996 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 [1994] 1995.

Appropriations accounts available to the Department of Veterans Affairs for fiscal year [1995] 1996 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".

[Of the budgetary resources available to the Department of Veterans Affairs during fiscal year 1995, \$20,742,000 are permanently canceled. The Secretary of Veterans Affairs shall allocate the amount of budgetary resources canceled among the Department's accounts available for procurement and procurement-related expenses. Amounts available for procurement and procurement-related expenses in each such account shall be reduced by the amount allocated to such account. For the purposes of this section, the definition of "procurement" includes all stages of the process of acquiring property or services, beginning with the process of determining a need for a product or service and ending with contract completion and close-out, as specified in 41 U.S.C. 403(2).] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1995.*)

**TITLE V—GENERAL PROVISIONS**

The following sections are proposed for deletion and do not appear below:

Sec. 501 ... Limitation on travel expenses.

Sec. 509 ... Prohibition against use of funds for personnel compensation and benefits to be available for other object classifications.

Sec. 515 ... Provision for pay absorption.

SEC. [502] 501. 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 law (5 U.S.C. 5901–5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. [503] 502. 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, Resolution Trust Corporation, 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. [504] 503. 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. [505] 504. 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. [506] 505. 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 his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under title 31, United States Code, section 1344.

SEC. [507] 506. 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. [508] 507. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for Level IV of the Executive Schedule, unless specifically authorized by law.

SEC. [510] 508. None of the funds 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. [511] 509. 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 twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. [512] 510. 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. [513] 511. Except as otherwise provided in section [506] 505, 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. [514] 512. 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. [516] 513. 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. [517] 514. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—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) NOTICE REQUIREMENT.—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. [518] 515. 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. 516. *Not to exceed 2 percent of any appropriation or earmarked amount made available for the current fiscal year for the Department of Housing and Urban Development in this Act may be transferred between such appropriations or earmarked amounts, but no such appropriation or earmarked amount shall be increased or decreased by more than 2 percent by any such transfers. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995.)*