

# FY 2022 BUDGET SUBMISSION



*“ To care for him who shall have borne the battle,  
and for his widow, and his orphan....”*

Benefits and Burial Programs  
and  
Departmental Administration

Volume 3 of 4

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**Volume III**  
**Benefits and Burial Programs**  
**and Departmental Administration**

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## *National Cemetery Administration*

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### **Part 1**

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## *National Cemetery Administration*

### *Funding Summary*

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### **Mission**

VA honors Veterans and their families with final resting places in national shrines and with lasting tributes that commemorate their service and sacrifice to our Nation.

### **Stakeholders and Partners**

The stakeholders of VA's burial programs are varied and diverse. The National Cemetery Administration's (NCA) primary stakeholders are those who are the direct beneficiaries of VA burial benefits: Veterans and their families. Other significant and noteworthy stakeholders are Veterans Service Organizations, professionals in the funeral and mortuary industry, the various components of the Department of Defense (DoD), and members of the active duty and reserve forces. In addition, members of a number of environmental groups, historical and genealogical societies, as well as the general public must be included in the list of those we provide services to.

The inclusion of families takes into account the significance of next of kin, since not only eligible Veterans but also their eligible family members may receive burial benefits. It is important that these Veterans, widows, widowers, and other family members and friends are treated with compassion and dignity at the time of their bereavement and when they return to visit the gravesite, and that the cemetery's entire appearance is maintained in a manner befitting a national shrine.

Veterans Service Organizations are key stakeholders and partners in the VA mission. These organizations act as a voice for Veterans and their families and as advocates for their needs and expectations. At many national cemeteries, they are important partners in providing support for military funeral honors.

States and tribal organizations, usually operating through their Veterans Affairs Departments, play an increasingly important role in providing services to Veterans and their families. By establishing and operating state and tribal Veterans cemeteries as a complement to VA national cemeteries, they provide additional burial options for Veterans and their families.

DoD cemeteries, especially those operated by the Army National Cemeteries Program (including Arlington National Cemetery (ANC)), Department of Interior's National Park Service (NPS) national cemeteries, and the American Battle Monuments Commission (ABMC), continue to remain important partners in providing burial and memorial services for Veterans and their families. NCA provides Government-furnished headstones and markers for all federally administered cemeteries. NCA manages a congressionally mandated advisory committee on which representatives from ABMC, NPS, and ANC are ex-officio members. NCA and ANC have formalized a working group to ensure the organizations share information and collaborate on

shared goals, and with a memorandum of agreement between the two, allow for mutual training support.

DoD and the uniformed services are included as NCA stakeholders in recognition of the important role they play in honoring those who have served. Veterans' families expect that appropriate military funeral honors will be provided at national cemeteries to recognize Veterans' service to our Nation. The provision of military funeral honors is part of DoD's mission, but requires a close and collaborative partnership with NCA. NCA facilitates volunteer groups who supplement DoD's military funeral honors.

Funeral directors are another significant stakeholder group. These professionals are often the spokespersons for the Veteran or next of kin and are also directly involved in the delivery of VA services through the coordination of committal services and interments. Funeral directors may also assist families in applying for headstones and markers.

Private cemeteries are also included as NCA stakeholders. Each year, VA furnishes more than 160,000 headstones and markers for Veterans' gravesites in private cemeteries.

NCA also considers members of the general public as stakeholders. National cemeteries are considered national shrines. Many date from the Nation's Civil War and are listed on the National Register of Historic Places. As such, they are of interest to historical societies, individuals interested in history and genealogical research, and others who may not have family members interred in a national cemetery. As a steward of nationally significant historic resources, NCA is responsible to all Americans for the prudent management of tax dollars and the sound environmental management of the land.

Finally, it is also appropriate to recognize stakeholders within the Department: the Veterans Benefits Administration, the Veterans Health Administration, and headquarters staff offices. All VA organizational elements are important partners with NCA in providing seamless service to Veterans and their families.

## **Burial Benefits Programs**

The National Cemetery Administration administers a number of related burial benefits programs:

- National Cemeteries: Bury Veterans and other eligible individuals in national cemeteries and maintain the graves and their environs as national shrines;
- Veterans Cemetery Grants: Provide aid to states and tribal organizations in establishing, expanding, or improving state and tribal Veterans cemeteries;
- Headstones and Markers: Furnish headstones and markers for the graves of eligible persons in national, state, tribal or other government Veterans cemeteries and private cemeteries;
- Medallions: Furnish medallions commemorating the Veteran's service to the Nation that may be affixed to the privately purchased headstones or markers for Veterans interred in private cemeteries;
- Presidential Memorial Certificates: Provide certificates to families of deceased Veterans, recognizing the Veteran's contribution and service to the Nation;



- **Outer Burial Receptacles:** Provide a grave liner or partial reimbursement for a privately purchased outer burial receptacle for each new traditional gravesite in open national cemeteries administered by NCA;
- **Caskets and Urns:** Provide reimbursement to an individual or entity that pays for the casket or urn used to inter remains of an unclaimed Veteran in a national, state, or tribal cemetery when there are no next of kin and insufficient resources;
- **First Notice of Death:** Record First Notice of (Veteran) Deaths based on Burial Flag applications, headstone/marker and burial applications, VA Insurance Claims Office, Arlington National Cemetery burials, corrections of VHA and Social Security Administration death exceptions into VA IT systems. Updated electronic files ensure timely termination of benefits and appointments, correction of erroneous dates of death, and next-of-kin notification of possible entitlement to survivor benefits; and
- **Historic Cemetery Landscapes:** Serve as the steward of VA historic national cemeteries and soldiers' lots to preserve and promote the rich heritage founded in the Civil War, and the memorial objects honoring Veterans buried in them.

## **Strategic Goals**

NCA will continue its record of accomplishment towards achievement of the goals set forth in the NCA Long Range Plan which outlines NCA's priorities for improving the ways in which we honor Veterans with final resting places in national shrines and by commemorating their service to our Nation. NCA long range goals support the following key priorities.

- **Access:** Provide 95 percent of Veterans with access to a burial option near their homes
- **Outcomes:** Ensure "National Shrine" standards of appearance are upheld at all VA national cemeteries
- **Customer Service:** Deliver world class customer service to all NCA's customers
- **Modernizing Memorialization:** Use innovation to connect to new audiences and modernize memorialization

The plan builds upon many of the accomplishments NCA has achieved on behalf of Veterans and their families. It sustains this momentum and provides a roadmap for guiding NCA as an organization and for improving the manner in which NCA serves Veterans and their families. NCA's Long Range Plan sets the following five overarching goals.

- Veterans and eligible family members will have increased access to burial benefits.
- More Veterans and eligible family members will use VA burial and memorial benefits.
- Veterans will be memorialized through enhanced tributes befitting their service and sacrifice to the nation.
- Stakeholders will place greater trust in NCA based on enhanced accountability.
- Stakeholders will be served more efficiently and effectively by NCA's internal capacity.
- NCA will be recognized as an organization committed to diversity and inclusion.

## Budget Summary

<b>Summary of Total Budgetary Resources for NCA Programs</b>					
(dollars in thousands)					
	2020 Budget Actual	2021 President's Budget	2021 Current Estimate	2022 Request	Increase(+) Decrease(-)
Operations and Maintenance.	\$329,000	\$360,000	\$352,000	\$394,000	+\$42,000
Major Construction.....	172,000	94,000	94,000	130,500	+36,500
Minor Construction.....	80,520	86,030	80,167	106,990	+26,823
Grants for Construction of Veterans Cemeteries.....	45,000	45,000	45,000	45,000	0
Facilities Operation Fund.....	360	278	282	282	0
National Cemetery Gift Fund..	166	1,000	1,000	1,000	0
Compensation and Pension: Headstones & Markers.....	105,654	90,705	96,705	100,726	+4,021
Graveliners & OBR Reimbursements.....	47,066	37,908	50,441	51,147	+705
Casket & Urn.....	314	460	417	405	-12
<b>Total Budgetary Resources</b>	<b>\$780,080</b>	<b>\$715,381</b>	<b>\$720,012</b>	<b>\$830,050</b>	<b>+\$110,037</b>
<i>Rescission (-) <sup>1</sup></i>	<i>1,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Net Budgetary Resources</b>	<b>\$779,080</b>	<b>\$715,381</b>	<b>\$720,012</b>	<b>\$830,050</b>	<b>+\$110,037</b>

1/ Per Annual Appropriation, PL 116-94, \$1 million was rescinded from NCA's Operations and Maintenance unobligated balances. Rescission was applied to the 2019 balances carried over into 2020.

### Relationships Among Programs and Appropriations

NCA receives funding from seven appropriation accounts. In 2022, the Operations and Maintenance appropriation will fund the operation of 158 national cemeteries and 34 other cemeterial installations, as well as their maintenance as national shrines. It also funds the costs of administering six related programs: Veterans Cemetery Grant Program, Headstone, Marker, and Medallion program, Presidential Memorial Certificate (PMC) program, First Notice of Death (FNOD) program, Casket & Urn program, and Outer Burial Receptacle program.

Making burial options available to Veterans requires the development of new national cemeteries, the development of additional gravesites at existing national cemeteries, or the establishment and expansion of Veterans cemeteries through grants to states and tribal organizations. These requirements are met through three capital appropriation accounts. New national cemetery construction is funded from the VA Major and Minor Construction appropriation. Gravesite development projects, as well as national cemetery improvement projects, are also funded from VA's Major and Minor Construction appropriations. A summary of the NCA construction program is provided in a separate section of this NCA chapter.

The Grants for Construction of Veterans Cemeteries appropriation, the third capital account, funds the establishment, expansion, and improvement of Veterans cemeteries operated by states and tribal organizations. This program serves as a complement to VA's system of national cemeteries

by establishing Veterans cemeteries in areas of the country where it's not feasible for VA to establish a new national cemetery.

The National Cemetery Administration Facilities Operation Fund is financed by the proceeds from leases of undeveloped land and unused or underutilized buildings. The funds are applied toward the costs of operating and maintaining NCA property.

The National Cemetery Gift Fund is a trust fund that uses gifts from private donors for beautification and improvement of cemetery grounds, such as landscaping, walkways, and benches, and may be used for other items beneficial to the cemetery and the Veterans served.

The Compensation and Pensions appropriation funds the purchase and transportation costs for headstones and markers, graveliners, pre-placed crypts, as well as funding the partial reimbursements for privately purchased outer burial receptacles. It also funds reimbursements that provide caskets and urns for burial of the remains of eligible Veterans in a VA national, state or tribal Veterans cemetery if the Veteran has no known next of kin and insufficient resources to purchase a burial receptacle. This appropriation is presented in a separate budget chapter.

## **2022 Budget Highlights**

The 2022 budget positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following policies consistent with its strategic goals.

### **Access**

NCA is nearing its goal to provide 95 percent of Veterans with access to a burial option in a national, state or tribal Veterans cemetery within 75 miles of their homes. To achieve this goal, NCA will establish the remaining planned new national cemeteries and expand existing national cemeteries to meet projected demand, including the development of columbaria and the acquisition of additional land.

Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land. The \$130.5 million major construction request for NCA in 2022 includes \$94.5 million to fund two gravesite expansion projects at Indiantown Gap and Fort Logan National Cemeteries, and \$36 million for Advanced Planning and Design and Land Acquisition funds for new cemeteries and future expansions to maintain access to existing national cemeteries. NCA requests \$107 million in the 2022 minor construction budget to provide funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. It also continues funding the development of national cemeteries under the Rural Initiative to serve Veterans in rural areas with up to 25,000 Veterans residing within a 75-mile radius. Additionally, NCA is committed to reducing the number of critical FCA infrastructure deficiencies related to safety and/or compliance and will address the growing list of FCA deficiencies rated D and F.

NCA will increase the availability of state and tribal Veterans cemeteries which serve as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In 2022, NCA requests \$45 million for Grants for Construction of Veterans Cemeteries to provide additional establishment and expansion grants to state and tribal organizations in support of increasing burial access. The 2021 grant project list has 104 projects, with the required matching funds and legislation, totaling over \$285 million in grant opportunities. In recent years, NCA has been unable to take advantage of some higher dollar, higher impact establishment grants in unserved rural areas. These projects are critical to meeting NCA's objective of serving Veterans throughout the country. In addition, as the number of state and tribal Veterans cemeteries have grown over the last 10 years from approximately 80 cemeteries to now 118 cemeteries, with one new cemetery planned for construction in 2021, the requests for expansion and improvement grants have grown in numbers and dollar amounts.

In 2022, NCA's request includes \$7.6 million and 11 FTE for the continued activation of the Fargo, ND, Cheyenne, WY, and Northwoods, WI rural cemeteries, continued activation of the replacement cemetery in Morovis, PR, and initial activation of the New York and Indianapolis urban columbarium-only cemeteries and the rural cemetery in Cedar City, UT. Continued activation funding ensures that newly opened cemeteries receive the resources required as interment activity and maintenance workload increase after the initial opening.

NCA also requests \$7.7 million and 35 FTE for existing cemeteries facing workload increases and project expansions in 2022. As NCA's workload continues to increase, this budget request is essential for NCA to maintain its position as the most highly regarded organization, in both the public and private sectors, in terms of customer satisfaction.

In addition, NCA requests \$2.0 million and 26 FTE for initiatives intended to remain a burial benefit provider of choice. These funds will be used to enhance processes and methods to easily apply for and obtain timely burial eligibility determinations and headstones and markers as well as improve the employee experience. As a result of targeted awareness campaigns and state cemetery expansion, there has been an increase in both pre-need applications and eligibility determinations for headstones and marker applications for state cemeteries. Additional staff will be hired with the requested resources to manage the increased workload and meet performance processing targets.

Funds will also be used to expand NCA's Cemetery Apprentice Program (CAP) which contributes to VA's priority to eliminate Veteran homelessness. In 2022, NCA requests funding to hire an additional 6 FTE for the CAP. This program offers entry-level technical training and permanent employment in national cemeteries to Veterans who are homeless, at risk of becoming homeless, or who recently exited homelessness.

## **Outcomes**

VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits of families and loved ones have ended. With the resources in this budget, NCA will maintain occupied graves, developed acreage, historic structures, and cemetery infrastructure in a manner befitting national shrines.

NCA will continue to invest in projects to raise and realign gravesites and repair turf in order to maintain cemeteries as national shrines. National cemeteries carry high expectations of appearance that set them apart from private cemeteries. NCA strives to maintain 99 percent of respondents rating national cemetery appearance as excellent.

NCA will also address prioritized projects identified on Facility Condition Assessments (FCA) to ensure safe and effective cemetery operations due to the budget restriction. NCA's goal is to focus on infrastructure repairs that are deemed critical to safety, code or operational needs and are assessed at a "D" or an "F" FCA rating. A "D" rating is generally assigned when facilities are in poor condition or projects that have code or safety violations. "F" ratings are assessed when there is a failing or critical condition usually reserved for life threatening issues.

NCA strives to provide transparency and build public trust and confidence in the services we provide to Veterans and their families. In 2022, NCA requests \$4.3 million and 20 FTE to support initiatives that improve our internal controls and strengthen the organization's capability to continuously assess and improve the operation and maintenance of Veterans cemeteries. These funds will be used to further implement Global Positioning System technology to collect geo-spatial data for all gravesites in national cemeteries and use Geographical Information System to enhance the accounting for remains, marking of graves, and mapping of national cemeteries. The corresponding FTE will directly support internal control efforts by allowing experienced cemetery team members to conduct reviews and resolve discrepancies while the temporary hires perform other operational duties.

Our Compliance/Review Programs are a key component of our system of internal controls and continuous improvement for cemeteries. These include our Organizational Assessment and Improvement (OAI) program and our Compliance Review Program (CRP). This budget includes a request for additional resources to fund travel associated with the OAI and CRP programs.

Also included with initiatives to improve internal controls processes is funding requested to continue VA's Integrated Financial and Acquisition Management System (iFAMS) implementation waves. Internally, NCA has undertaken a critical effort to deploy iFAMS. NCA was the first VA organization to implement the new financial system and its success is key to launching deployment waves across the rest of VA's administrations. In 2022, these additional resources will be dedicated to conduct further systems implementation regression testing, increase audit readiness, train employees, and provide sustainment support. This effort will meet NCA's business process reengineering for the future state to decrease the risk of audit findings, comply with VA-wide processes, and streamline financial management procedures.

This budget also requests sufficient payroll funding to implement grade increases consistent with a standardized Position Description that more accurately classifies duties in the appropriate OPM classification occupational series for 178 Cemetery Representatives that NCA plans to upgrade to a full performance level of GS-7. These team members are the "face" of NCA to grieving family members, providing initial contact on the day of their loved one's interment and guiding them through the committal service.

## **Customer Service**

NCA is most proud of its sustained record of excellent customer service to Veterans and their families. The organization fosters a culture dedicated to compassionate service at all levels. The American Customer Satisfaction Index (ACSI); the only national, cross-industry measure of satisfaction with the quality of goods and services available in the United States, continues to recognize our commitment to providing respectful and dignified customer service that is second to none. NCA has participated in this survey seven times and consistently outperformed other federal government agencies and private sector organizations. In 2019, NCA achieved a customer satisfaction index of 97, the highest result ever achieved for any organization in either the public or private sector.

NCA recognizes that high client satisfaction results cannot be assumed based on past performance. In 2022, NCA will focus on maintaining and improving our reputation as a world-class service provider by continuing to collect and leverage client satisfaction data from Veterans, families, and funeral homes through ongoing survey activities. We will use survey results to identify aspects of service as well as specific cemeteries that present opportunities for improvement. We will also identify and share best practices from high performing cemeteries throughout NCA. These efforts will continue to support progress toward ensuring that all national cemeteries provide excellent service and that the appearance of those shrines is also excellent. NCA requests \$1.3 million to support these customer service initiatives.

Also, NCA will continue to support our priority of creating partnerships to deliver world class customer service through the Veterans Cemetery Grants Program. NCA requests additional funds in this budget to provide expert management on all aspects of the program to analyze and improve operational effectiveness. This program serves as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery.

In addition, NCA requests funds to enhance its Cemetery Safety and Training program. This initiative promotes a more professional, aggressive, and visible safety management program to improve employee health and safety to include emergency preparedness. Funds will also be used to provide contracts supporting Memorial Benefits Management System (MBMS) rollout and training, and reporting and data collection capabilities.

## **Modernizing Memorialization**

NCA's Veterans Legacy Memorial (VLM) continues to advance key digital and cemetery-based efforts as part of the commitment to preserving the legacy of the 3.7 million Veterans interred in VA national cemeteries, to ensure that they are never forgotten, increase the public's awareness of the value of military service, and provide families with an interactive memorial experience. Utilizing modern technology, NCA constantly seeks innovative ways to help the public memorialize Veterans resting in our cemeteries. The funds requested in this budget will support initiatives to connect to new audiences, continue our modernizing memorialization efforts, expand community partnerships, and increase awareness of Veteran service and sacrifice.

NCA will use the resources requested in the budget for this purpose to continue development of the Veterans Legacy Memorial site, and to add the millions of Veteran records from non-VA

cemeteries (tribal/state Veteran cemeteries, other government-managed cemeteries, private cemeteries, etc.). Launched in 2019 by NCA, Veteran service and cemetery information is displayed on individual Veteran profile pages, and users can submit Tributes (comments) to share memories, tell stories, or thank Veterans for their service. The Tributes feature was launched in time for Memorial Day 2020 during the COVID-19 pandemic, so that people could virtually honor Veterans if they couldn't physically visit a VA national cemetery. To date, more than 10,000 Tributes have been posted to Veteran pages. Headstone/marker photos and a map feature are displayed on approximately half of VLM pages, and more pages will include these items as additional images/GIS coordinates are gathered by NCA.

NCA continues to develop onsite interpretive signs, exhibits, and commemorative and historical publications and media to provide historical context to visitors, increase public knowledge of NCA history, and extend outreach to the public. NCA plans to publish a commemorative history book to mark its first 50 years. Work on the book will be accomplished in 2022 for publication in 2023. The publication will be the first comprehensive history of NCA highlighting its establishment during the Civil War and transformation to the present.

### **NCA Operations During the COVID-19 Pandemic**

All NCA national cemeteries have remained open for interment and public visitation throughout the pandemic. NCA's operational posture has been modified consistent with local, state and federal guidance to protect the health and safety of our employees and visitors. From March through June 2020, NCA conducted "direct" interments only - suspending the provision of military honors and committal services at all cemeteries. In June 2020, NCA restored the provision of military honors and committal services with limits on gathering sizes based on local and state guidelines and various other factors.

In 2020, NCA interred 126,884 Veterans and eligible family members, a decrease of six percent from the previous year, primarily due to the impact of the COVID-19 pandemic. NCA estimates 12,382 interments were either postponed or delayed and expects that most of these are cremated remains that can be held by the family and will be (re)scheduled as COVID conditions allow and families are willing and able to gather. In total, NCA conducted 20,780 direct interments without committal services. NCA has contacted all families who received a direct interment to offer a memorial service in lieu of a committal service at the time of interment. The percentage of families that indicated they were interested in a memorial service was about 40 percent. However, many of those interested families indicated that they want to wait several months before scheduling a memorial service.

Section 515 of Public Law 116-260, the Consolidated Appropriations Act, 2021, allows for the transfer of up to \$26 million in unobligated balances from funds provided under Public Law 116-136, CARES Act supplemental. In 2021, \$12 million was transferred from VHA to NCA to assist with costs associated with COVID-19, including overtime funds to provide additional interments and memorial services. CARES Act funds will also be used for PPE for employees, deep cleaning janitorial contracts, and additional equipment and supplies necessary to maintain social distancing.

## **Program Highlights**

VA honors Veterans and their eligible family members with final resting places in national shrines and with lasting tributes that commemorate their service and sacrifice to our Nation. In 2020, NCA interred 126,884 Veterans and eligible family members. Interments decreased six percent from the previous year, primarily due to the impact of the COVID-19 pandemic. Annual Veteran deaths are projected to be over 579,000 in 2021 and are then projected to decline slowly. The total number of gravesites increased from nearly 3.75 million in 2018 to more than 3.91 million in 2020. The number of gravesites maintained is expected to reach over 4 million in 2021.

NCA's Memorial Products Service (MPS) is responsible for administering the Headstone, Marker, and Medallion and the Presidential Memorial Certificate programs. MPS receives and processes applications for headstones, markers, and medallions; determines eligibility of the decedent; assists Veterans, next-of-kin, Veterans Service Organizations, funeral homes, and other customers with status, replacements, and general information concerning government headstones, markers, and medallions to be installed in state and tribal Veterans cemeteries as well as local and private cemeteries; and administers the PMC program by providing certificates to families of deceased Veterans.

In 2020, NCA marked 96 percent of graves in national cemeteries within 60 days of the date of interment, a decrease from 98.6 percent in 2019 due to multiple issues including transportation interruptions due to COVID-19. In 2020, the average number of days to mark a grave was 29. The headstone or marker is a lasting memorial, and it is important to Veterans and their families that graves are marked in a timely manner after interment. NCA is also committed to providing timely and accurate symbolic expressions of remembrance for Veterans who are not buried in national cemeteries. In 2020, NCA processed 88.7 percent of applications for headstones and markers for such Veterans within 20 days of receipt, an increase from 85.4 percent in 2019. Ultimately, NCA expects to process at least 90 percent of headstone and marker applications within 20 days of receipt. In 2022, NCA expects to process nearly 342,000 headstone and marker applications.

In 2022, NCA will continue its initiative to provide same-day (i.e. on the day of interment) Presidential Memorial Certificates (PMC) at National Cemeteries. Currently, NCA is providing same-day PMCs at almost 90 cemeteries. NCA issued over 547,000 PMCs in 2020 and in 2021 expects to deliver 543,200 PMCs.



## Key Performance Goals

Measure Description	2020 Result	2021 Target	2022 Target	Strategic Target
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	93.0%	93.8%	94.0%	95.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	96.8%	97.0%	97.0%	99.0%
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need	98.7%	99.0%	99.0%	99.0%
Percent of respondents who rate national cemetery appearance as excellent	99.1%	99.0%	99.0%	99.0%

It is important that VA ensures that the burial needs of Veterans and eligible family members are met in a timely, compassionate, and respectful manner. VA's goal is to increase the percent of Veterans served by a burial option in a national or state Veterans cemetery within a reasonable distance (75 miles) of their residence to 95 percent. In order to achieve this goal, VA needs to increase/maintain access through:

- 1) developing additional national cemeteries to increase access;
- 2) expanding existing national cemeteries to maintain access; and
- 3) establishing and expanding state Veterans cemeteries to complement VA's system of national cemeteries.

To achieve this goal, NCA lowered the unserved Veteran population threshold to establish a new national cemetery to 80,000 within a 75-mile radius. As a result, NCA is in the midst of the largest expansion of the cemetery system since the Civil War and plans to open 18 new national cemeteries by 2026. When all national cemeteries are opened, over 3.4 million Veterans and their families will be provided new or enhanced access.

In densely populated urban areas, where Veterans and their families may experience significant time or distance barriers in traveling to a national cemetery, VA is establishing new columbaria facilities closer to the heart of the urban core in order to provide a more accessible option for those Veterans and family members. VA has also developed a strategy to create VA national cemeteries to serve Veterans in rural areas who currently do not have reasonable access to burial in a Veterans cemetery. Twelve of the eighteen new cemeteries have already opened in Yellowstone County, MT (2014); Cape Canaveral, FL (2016); Tallahassee, FL (2016); Omaha, NE (2016); Pikes Peak, CO (2018); Fargo, ND (2019); Cheyenne, WY (2020); Machias, ME (2020); Rhineland, WI (2020); Twin Falls, ID (2020); West Los Angeles, CA (2020); and Western New York, NY (2021). NCA plans to open the remaining six cemeteries by the end of 2026.

VA continues to provide high-quality, responsive service in all contacts with Veterans, their families and friends, and funeral directors. NCA will continue to obtain feedback from these groups to ascertain how they perceive the quality of service provided by national cemeteries and

gauge their willingness to recommend the use of national cemeteries to other Veterans and eligible family members in their time of need. NCA's Survey of Satisfaction with National Cemeteries provides measures of our success in delivering service with courtesy, compassion, and respect and the likelihood of recommending the services NCA provides to others.

NCA will also continue to engage Veterans through a variety of activities to collect data on client expectations and their perceptions related to the quality of service provided by national, state, and tribal Veterans cemeteries. NCA will analyze information obtained from surveys and focus groups to ensure that NCA addresses those issues most important to its clients. This approach provides data from the client's perspective, which is critical to developing our objectives and associated measures.

National cemeteries carry high expectations of appearance that distinguish them from private cemeteries. VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits by families and loved ones have ended. NCA will maintain occupied graves and developed acreage in a manner befitting national shrines in perpetuity. Improvements in the appearance of burial grounds and historic structures are necessary for NCA to fulfill the National Shrine Commitment. Headstones and markers must be set, realigned, and cleaned. Stone surfaces of columbaria require cleaning, caulking and grouting between the units, and maintenance of surrounding walkways. Grass, shrubbery, and trees in burial areas and other land no longer in a natural state must receive regular care. Cemetery infrastructure, including buildings, grounds, walks, and drives must be repaired as needed. NCA will continue to collect client feedback through annual surveys to determine if Veterans and their families perceive the appearance of national cemeteries as excellent. NCA will also continue to collect client feedback through annual surveys to determine if Veterans and their families perceive the appearance of state and tribal cemeteries funded through the VA Veterans Cemetery Grants Program as excellent and on a par with VA national cemeteries.

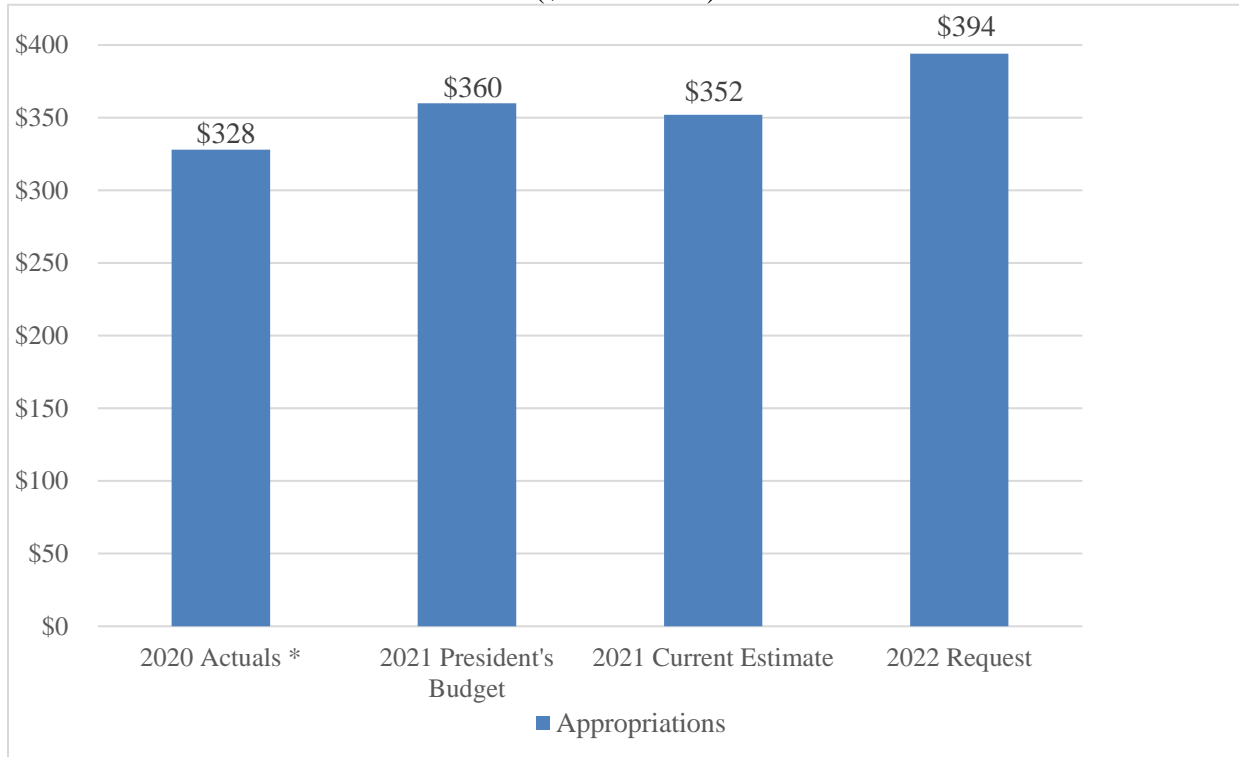


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## *National Cemetery Administration Operations and Maintenance*

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**Funding Chart – Operations and Maintenance**  
(\$ in millions)



\* Per 2020 Annual Appropriation, PL 116-94, \$1 million was rescinded from NCA's unobligated balances.

### **Appropriation Language**

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefore; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; hire of passenger motor vehicles; and repair, alteration or improvement of facilities under the jurisdiction of the National Cemetery Administration, [\$352,000,000] \$394,000,000, of which not to exceed 10 percent shall remain available until September 30, [2022]2023.

## *Appropriation Highlights*

(\$000) <sup>1/</sup>

	2020 Actuals	2021 President's Budget	2021 Current Estimate	2022 Request	Increase(+) Decrease(-)
<b>FTE</b>	2,026	2,085	2,120	2,217	+97
Cemetery Operations	\$271,573	\$280,389	\$286,732	\$317,247	+\$30,516
Memorial Operations	8,960	9,703	9,639	9,954	+314
Direct Field Support Operations	23,445	30,873	29,126	32,803	+3,677
Administrative Operations	28,223	40,135	33,603	35,996	+2,393
<b>Total Obligations</b>	<b>\$332,202</b>	<b>\$361,100</b>	<b>\$359,100</b>	<b>\$396,000</b>	<b>+\$36,900</b>
Reimbursements (-)	-1,442	-1,100	-2,000	-2,000	0
Unob Bal Brought Forward SOY	-2,043	0	0	0	0
Unob Bal Transfer to Unexpired Acct	-5,600	0	-5,100	0	+5,100
Unob Bal Brought Forward EOY	4,885	0	0	0	0
Recycling Revenues (-)	-1	0	0	0	0
<b>Budget Authority</b>	<b>\$328,000</b>	<b>\$360,000</b>	<b>\$352,000</b>	<b>\$394,000</b>	<b>+\$42,000</b>
<b>Appropriation</b>	328,000	360,000	352,000	394,000	+42,000
Recission <sup>2/</sup>	1,000	0	0	0	0
<b>Net Appropriation</b>	<b>\$329,000</b>	<b>\$360,000</b>	<b>\$352,000</b>	<b>\$394,000</b>	<b>+\$42,000</b>

<sup>1</sup> Dollars may not add due to rounding in this and subsequent charts.

<sup>2</sup> Rescission was applied to balances brought forward to 2020.

### **Program Activities and Administration**

The Operations and Maintenance appropriation request in the 2022 budget will fund the operation of 158 national cemeteries and 34 soldiers' lots and monument sites and their maintenance as national shrines. It also directly funds the costs of administering six related programs: Veterans' Cemetery Grants Program (VCGP), Headstone and Marker program, Presidential Memorial Certificate (PMC) program, Outer Burial Receptacle (OBR) reimbursements, Casket & Urn reimbursements, and First Notice of Death (FNOD). Cemetery grant awards are funded from a separate appropriation. The purchase and transportation costs of the headstones and markers, medallions, pre-placed crypts, and the OBR, casket and urn reimbursements, are financed from the Compensation and Pensions appropriation.

The Under Secretary for Memorial Affairs is responsible for the overall leadership and direction of the National Cemetery Administration (NCA). The Under Secretary is supported in this role by staffs in both the field and headquarters. Activities are functionally and organizationally grouped into cemetery operations, memorial operations, direct field support operations, and administrative

operations. Activities support the following key NCA priorities:

- Access
- Outcomes
- Customer Service
- Modernizing Memorialization

### **Cemetery Operations**

NCA interments eligible servicemembers, Veterans, and family members in VA national cemeteries and maintains the graves and their environs as national shrines in perpetuity. In 2022, cemetery activities will encompass 158 national cemeteries and 34 soldiers' lots and monument sites. These activities can be grouped into three main functional categories:

- Administrative and clerical support functions include :
  - Providing eligibility determinations for burial in national cemeteries and for the provision of headstones and markers in other burial locations;
  - Determining eligibility for burial in a national cemetery prior to the time of need;
  - Arranging for and conducting interments;
  - Processing requests for partial reimbursements for privately purchased OBRs;
  - Managing cemetery activities, including activations and operational reviews; and
  - Providing advice and assistance to the general public.
- Operation and maintenance functions include :
  - Opening and closing graves;
  - Operating interment equipment;
  - Setting, realigning, and cleaning headstones;
  - Maintaining columbaria;
  - Caring for grass, shrubbery, and trees;
  - Filling and sodding sunken graves; and
  - Making minor repairs to cemetery infrastructure, including buildings, grounds, walks, and drives.
- District functions are organized into five districts, supervised by a district director and the director's staff. District offices are located in Philadelphia, Pennsylvania; Atlanta, Georgia; Denver, Colorado; Indianapolis, Indiana; and Oakland, California. District Directors and their staffs provide direction, operational oversight, and engineering assistance to the cemeteries located in their geographic areas.

### **Memorial Operations**

The Memorial Products Service (MPS) is directly responsible for administering the Headstone and Marker and the Presidential Memorial Certificate programs. MPS has three application processing sites, an Applicant Assistance Unit, and a First Notice of Death office. MPS activities include:

- Receiving and processing applications for headstones, markers, and medallions;

- Determining eligibility of decedent, type of headstone, marker, or medallion to be furnished, and the authorized inscription;
- Assisting customers with status, replacements, and general information concerning government headstones and markers to be installed on graves in private cemeteries;
- Administering the Presidential Memorial Certificate program by providing certificates to families of deceased Veterans, recognizing the Veteran's contribution and service to the Nation; and
- Entering First Notices of Death into VA information systems which in turn update VA electronic files to terminate compensation benefits to deceased Veterans and allow families to pursue monetarty burial benefits.

The Veterans Legacy Program (VLP) is NCA's educational outreach initiative. VLP memorializes our nation's Veterans through sharing their stories of service and sacrifice. Through VLP, NCA partners with universities, schools, teachers, professors, and students of all levels to research Veterans interred in VA national cemeteries to learn how they contributed to their country as servicemembers, and how they contributed to their community as Veterans.

NCA Digital Service provides support for web-based platforms (intranet and internet) and leads efforts to digitize and modernize Veteran memorialization. Through the Digital Service, NCA maintains the Veterans Legacy Memorial (VLM), the nation's first digital platform dedicated entirely to memorializing more than 3.7 million Veterans interred in VA's national cemeteries, honoring their service and sacrifice.

### **Direct Field Support Operations**

Direct Field Support Operations encompasses a broad range of functions performed in both headquarters and the field, including the following:

- Budget and Finance Service formulates, justifies, and monitors budget requirements, funding and expenditures for all NCA programs, including its capital programs, and provides accounting and finance services for the national cemeteries.
- Contracting Service provides the contract negotiation, award, administration, and other procurement support needed by NCA programs, including the headstone and marker program, minor construction, and procurements for the national cemeteries and headquarters activities.
- Veterans' Cemetery Grants Program Office administers grants to assist States, territories, and tribal organizations in establishing, expanding, or improving Veterans cemeteries, as well as fostering state and tribal participation in the program.
- Human Capital Management oversees and administers all human resources life cycle management for NCA including staffing and recruitment, classification, training and workforce planning, policy and guidance, labor and employee relations, and safety and health.
- Design and Construction Service develops long-range construction plans for an overall NCA program, including field surveys in connection with the development and expansion of new and existing cemeteries, and manages development and minor construction for expansion and improvements to cemeteries.
- NCA Business Transformation and Requirements Service oversees the management of new business and technology projects and manages business operational designs of new programs for business information systems.

## **Administrative Operations**

Administrative Operations provides overall policy guidance, executive direction, and administrative support to the entire NCA. Administrative Operations include:

- Providing operational guidance and direction for field activities;
- Developing system-wide strategic and performance plans, developing plans and strategies for improving business processes and services to Veterans, and evaluating and assessing, on a continuing basis, the quality and effectiveness of NCA programs and operations;
- Conducting studies of organizational structure, functions, relationships, and staffing in the interest of improving the effectiveness and efficiency of operations;
- Increasing Veteran and public awareness of NCA cemetery and memorial programs;
- Transcribing administrative and oral histories, collecting artifacts and maintaining archives, documenting and preserving historic cemetery resources, and providing education and interpretation of NCA history;
- Answering written inquiries from Veterans, their families, and others regarding benefits, service quality, and general information; and
- Providing legislative and regulatory support for NCA programs and operations.

## **Summary of Budget Request**

The National Cemetery Administration requests \$394,000,000 in budget authority and 2,217 FTE for Operations and Maintenance in 2022.

NCA is proud of its sustained record of excellent service to Veterans and their families. The American Customer Satisfaction Index (ACSI), the only national, cross-industry measure of satisfaction with the quality of goods and services available in the United States, continues to document our commitment to providing respectful, dignified, and compassionate service that is second to none. NCA has participated in this survey seven times and consistently outperformed other federal government agencies and private sector organizations. In 2019, NCA achieved a customer satisfaction index of 97, the highest result ever achieved for any organization in either the public or private sector.

The National Cemetery Administration is committed to ensuring that Veterans and their families have reasonable access to a burial option in a national, state, or tribal Veterans cemetery, that the service they receive is dignified, respectful, and courteous, and that our system of cemeteries meets or exceeds the highest standards of appearance required by their status as national shrines. The 2022 budget request positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following key priorities consistent with its strategic goals.

## **Access**

NCA is nearing our goal to provide 95 percent of Veterans with access to a burial option in a national, state or tribal Veterans cemetery within 75 miles of their homes. To achieve this goal, NCA will establish the remaining planned new national cemeteries and expand existing national cemeteries to meet projected demand, including the development of columbaria and the acquisition of additional land.

In 2022, NCA requests \$7.6 million and 11 FTE for the continued activation of the Fargo, North Dakota; Cheyenne, Wyoming; and Northwoods, Wisconsin rural cemeteries; continued activation of the replacement cemetery in Morovis, Puerto Rico; and initial activation of the New York, New York and Indianapolis, Indiana urban columbarium-only cemeteries as well as the rural cemetery in Cedar City, Utah. Continued activation funding ensures that newly opened cemeteries receive the resources required as interment activity and maintenance workload increase after the initial opening.

NCA also requests \$7.7 million and 35 FTE for existing cemeteries facing workload increases and project expansions in 2022. Annual Veteran deaths are projected to be over 579,000 in 2021 and are projected to slowly decline. The number of interments is expected to peak at about 137,140 in 2021, after which interments will decline gradually. The total number of gravesites increased from nearly 3.75 million in 2018 to more than 3.9 million in 2020. The number of gravesites maintained is expected to reach over 4 million in 2022. As NCA's workload continues to increase, this budget request is essential for NCA to maintain its position as the most highly regarded organization, in both the public and private sectors, in terms of customer satisfaction.

In addition, NCA requests \$2.0 million and 26 FTE for initiatives intended to remain a burial benefit provider of choice. These funds will be used to enhance processes and methods to easily apply for and obtain timely burial eligibility determinations and headstones and markers as well as improve the employee experience.

### **Outcomes**

NCA is focused on improving internal processes so our stakeholders will place even greater trust in NCA. NCA requests \$4.3 million and 20 FTE to support initiatives that improve our internal controls, and continuous improvements for cemeteries. Funds will be used to further implement Global Positioning System technology to collect geo-spatial data for all gravesites in national cemeteries and use Geographical Information System to enhance the accounting for remains, marking of graves, and mapping of national cemeteries. FTE will directly support internal control efforts by allowing experienced cemetery team members to conduct reviews and resolve discrepancies while the temporary hires perform other operational activities.

Our Compliance/Review Programs are a key component of our system of internal controls and continuous improvement for cemeteries. These include our Organizational Assessment and Improvement (OAI) program and our Compliance Review Program (CRP). This budget includes additional funding for travel associated with the OAI and CRP programs. Also included with initiatives to improve internal controls processes are funding requests to continue the Integrated Financial and Acquisition Management System (iFAMS) implementation waves and provide a regulation writing contract to support revisions to regulations which address unique tribal Veteran cemetery grant issues.



## Customer Service

NCA will continue to support our priority of creating partnerships to deliver world class customer service through the Veterans Cemetery Grants Program. NCA requests funding to provide expert management on all aspects of the program to analyze and improve operational effectiveness. The Veterans Cemetery Grants Program serves as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. The budget request of \$1.3 million and 4 FTE also includes training resources to improve evaluation effectiveness in the Human Capital Management Safety and Training program as well as resources to serve stakeholders more efficiently and effectively.

## Modernizing Memorialization

Utilizing modern technology, NCA constantly seeks innovative ways to help the public memorialize Veterans resting in our cemeteries. NCA requests \$357 thousand and one FTE to support initiatives to connect to new audiences, continue our modernizing memorialization efforts, expand community partnerships, and increase awareness of Veteran service and sacrifice.

NCA will use the resources requested in the budget to continue development of the Veterans Legacy Memorial (VLM) site, and to add the millions of Veteran records from non-VA cemeteries (tribal/state Veteran cemeteries, other government-managed cemeteries, private cemeteries, etc.). Launched in 2019 by NCA, Veteran service and cemetery information is displayed on individual Veteran profile pages, and users can submit Tributes (comments) to share memories, tell stories, or thank Veterans for their service. The Tributes feature was launched in time for Memorial Day 2020 during the COVID-19 pandemic, so that people could virtually honor Veterans if they couldn't physically visit a VA National Cemetery. To date, more than 10,000 Tributes have been posted to Veteran pages. Headstone/marker photos and a map feature are displayed on approximately half of VLM pages, and more pages will include these items as additional images/GIS coordinates are gathered by NCA.

NCA continues to develop onsite interpretive signs, exhibits, and commemorative and historical publications and media to provide historical context to visitors, increase public knowledge of NCA history, and extend outreach to the public. NCA plans to publish a commemorative history book to mark its first 50 years. Work on the book will be accomplished in 2022 for publication in 2023. The publication will be the first comprehensive history of NCA highlighting its establishment and transformation to the present.

## NCA Operations During the COVID-19 Pandemic

<i>Families First, Corona Virus Response and Cares Acts</i>			
(\$000)			
	Appropriations	Transfers	Reallocated Appropriations
National Cemetery Administration	0	\$12,000	0

All NCA national cemeteries have remained open for interment and public visitation throughout the pandemic. NCA's operational posture has been modified to remain consistent with

local, state and federal guidance to protect the health and safety of our employees and visitors. From March through June 2020, NCA conducted “direct” interments only - suspending the provision of military honors and committal services at all cemeteries. In June 2020, NCA restored the provision of military honors and committal services with limits on gathering sizes based on local and state guidelines and various other factors.

In 2020, NCA interred 126,884 Veterans and eligible family members, a decrease of six percent from the previous year, primarily due to the impact of the COVID-19 pandemic. NCA estimates 12,382 interments were either postponed or delayed and expects that most of these are cremated remains that can be held by the family and will be (re)scheduled as COVID conditions allow and families are willing and able to gather. In total, NCA conducted 20,780 direct interments without committal services. NCA has contacted all families who received a direct interment to offer a memorial service in lieu of a committal service at the time of interment. The percentage of families that indicated they were interested in a memorial service was about 40 percent. However, many of those interested families indicated that they want to wait several months before scheduling a memorial service.

Section 515 of Public Law 116-260, the Consolidated Appropriations Act, 2021, allows for the transfer of up to \$26 million in unobligated balances from funds provided under Public Law 116-136, CARES Act supplemental. In 2021, \$12 million was transferred from VHA to NCA to assist with costs associated with COVID-19, including overtime funds to provide additional interments and memorial services. CARES Act funds will also be used for PPE for employees, deep cleaning janitorial contracts, and additional equipment and supplies necessary to maintain social distancing.

<i><b>Analysis of Increases and Decreases</b></i>		
(\$000)		
	2021	2022
	Estimate	Request
<b>Prior Year Obligations</b>	\$332,202	\$359,100
Pay and Staff Composition Changes	3,342	6,734
Non-Payroll Inflation	2,152	2,628
iFAMS	0	4,404
New Cemetery Activation	6,049	7,586
Workload at Existing Cemeteries	7,021	7,654
Additional Investments	3,270	7,950
<i>Access [non-add]</i>	<i>1,312</i>	<i>2,034</i>
<i>Outcomes VA [non-add]</i>	<i>1,708</i>	<i>4,303</i>
<i>Customer Service [non-add]</i>	<i>0</i>	<i>1,256</i>
<i>Modernizing Memorialization [non-add]</i>	<i>250</i>	<i>357</i>
Changes in contracts, other services and travel	5,064	-56
<b>Total Obligations</b>	<b>\$359,100</b>	<b>\$396,000</b>

The 2022 budget request includes obligations of \$396.0 million for operations and maintenance, including 2,217 FTE (nearly 86 percent of which are field employees and approximately 75 percent are Veterans) to meet increasing workload and burial expansions as well as funding in support of investments critical to NCA priorities.

## **Current Services**

Payraise Impact to Total Payroll - \$6.7 million for the cost of the anticipated 2.7% payraise and changes in the average grade structure of NCA employees.

Non-payroll Inflation - \$2.6 million for non-payroll inflationary increases.

iFAMS Operations - \$4.4 million for increased service costs to VA's Financial Services Center for the operation of VA's new financial system, iFAMS.

New Cemetery Activation - \$7.6 million and 11 FTE for the continued activation of the Fargo, North Dakota; Cheyenne, Wyoming; and Northwoods, Wisconsin rural cemeteries; continued activation of the replacement cemetery in Morovis, Puerto Rico; and initial activation of New York, New York and Indianapolis, Indiana columbarium-only urban cemeteries as well as the rural cemetery in Cedar City, Utah. Continued activation funding ensures that newly opened cemeteries receive the resources required as interment activity and maintenance workload increase after the initial opening. In addition, this request funds activation costs to support the deployment of an initial cadre of staff at the cemeteries in advance of the formal opening to perform various tasks in support of a successful opening. The first hire for the new cemetery is responsible for coordinating efforts to establish proper infrastructure for the cemetery (e.g. telecommunications, information technology, temporary office space), establishing a presence in the local community, and reaching out to Veteran Service Organizations, local, state, and Congressional offices, as well as the general public. NCA requires personnel to conduct these tasks to ensure everything leading up to the formal opening is accomplished on time and in accordance with applicable laws, rules, and regulations.

Workload at Existing Cemeteries - \$7.7 million and 35 FTE for the existing cemeteries facing workload increases and project expansions in 2022. As NCA's workload continues to increase at existing national cemeteries, this budget request is essential for NCA to maintain its position as one of the most highly regarded organizations, in both the public and private sectors, in terms of customer satisfaction. National cemeteries carry high expectations of appearance that distinguish them from private cemeteries. The additional current service funds are required to maintain the frequency of cemetery ground and gravesite maintenance activities including mowing and trimming grass, maintaining trees, and cleaning headstones and markers at existing cemeteries. A reduction in the frequency of ongoing maintenance activities will result in a degradation of appearance and an inability to maintain national cemeteries as national shrines, placing NCA at high risk of decreased customer satisfaction.

## **Additional Investments**

Access - \$2.0 million and 26 FTE to support the following initiatives:

- \$1.2 million and 14 FTE to manage workload increases for Pre-Need and State Cemetery Headstones and Marker application processing.

- \$860 thousand and 12 FTE to offer entry-level technical training and permanent employment in national cemeteries to Veterans who are homeless as part of the Cemetery Apprentice Program and reintroduction of the Cemetery Director Intern Program used to prepare a cadre of trained personnel with the skills required to operate a national cemetery.

Outcomes - \$4.3 million and 20 FTE to support the following initiatives:

- \$1.5 million and 13 temporary FTE to provide Global Positioning System technology and equipment to collect geo-spatial data for all gravesites in national cemeteries and use of Geographical Information System to enhance the accounting for remains, marking of graves, and mapping of national cemeteries.
- \$1.2 million and 7 FTE to provide resources for Financial Management Business Transformation subsequent waves and Acquisition Oversight. Internally, NCA has undertaken a critical effort to deploy iFAMS in 2021 and will continue to provide training and customer service on the implementation of the new financial system. In 2022, resources will be dedicated to conduct testing, train employees, and provide sustainment support. This effort will meet NCA's business process reengineering for the future state to decrease the risk of IG/GAO findings, comply with VA-wide regulations, and streamline financial management processes. Also, additional personnel will be used to reduce the contracting workload per FTE and enable improved service through the acquisition life cycle.
- \$1.1 million to upgrade the positions of 178 Cemetery Representatives to the full performance level of GS-7. All Cemetery Representatives will be placed on a standardized Position Description that more accurately classifies their duties in the appropriate OPM classification occupational series. This initiative also provides a more natural career path to NCA leadership by closing the career ladder gap between Cemetery Representatives and higher-graded cemetery positions.
- \$405 thousand for various initiatives including contract support to revise Part 39 regulations which address unique tribal Veteran cemetery grant issues.

Customer Service - \$1.3 million and 4 FTE to support the following initiatives:

- \$498 thousand and 3 FTE for the Safety and Training programs which support the long-range plan development and implementation of targeted safety campaigns, programs, and related training to improve employee health and safety to include emergency preparedness.
- \$485 thousand for the Memorial Benefits Management System (MBMS), and Centralized Mail to provide contracts in support of business transformation, MBMS rollout and training, and reporting and data collection capabilities.
- \$273 thousand and one FTE to provide expert management on all aspects of VCGP to include evaluating operational procedures for effectiveness and providing recommendations for improvements. This program serves as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery.

Modernizing Memorialization - \$357 thousand and one FTE to support initiatives for "Preserving the Legacy" to continue our digital modernization efforts, expand community partnerships, and increase awareness of Veteran service and sacrifice.

<i>Employment Summary - FTE by Grade</i>				
	2020	2021	2022	Increase(+)
# of FTE	Actuals	Estimate	Request	Decrease(-)
SES	22	20	22	+2
GS-15	28	33	33	0
GS-14	87	101	102	+1
GS-13	143	165	165	0
GS-12	73	80	80	0
GS-11	101	74	80	+6
GS-10	17	20	18	-2
GS-9	118	122	150	+28
GS-8	5	9	6	-3
GS-7	199	207	385	+178*
GS-6	180	177	1	-176*
GS-5	23	21	26	+5
GS-4	2	3	3	0
GS-1 through GS-3	0	0	0	0
Wage Grade (non-GS)	1,028	1,088	1,146	+58
<b>Total Number of FTE</b>	<b>2,026</b>	<b>2,120</b>	<b>2,217</b>	<b>+97</b>

\* Includes planned upgrade of cemetery representative positions to full performance level

<i>Analysis of FTE Distribution HQ/Field</i>		
# of FTE	2020 HQ Actuals	2020 Field Actuals
SES	12	10
GS-15	17	11
GS-14	55	32
GS-13	66	77
GS-12	23	50
GS-11	25	76
GS-10	2	15
GS-9	29	89
GS-8	0	5
GS-7	30	169
GS-6	6	174
GS-5	5	18
GS-4	1	1
GS-1 through GS-3	0	0
Wage Grade (non-GS)	1	1,027
<b>Total Number of FTE</b>	<b>272</b>	<b>1,754</b>

<b>Summary of Employment and Obligations</b>					
(\$000)					
	2020	2021	2021	2022	Increase(+)
	Budget	President's	Current	2022	Increase(+)
	Actuals	Budget	Estimate	Request	Decrease(-)
<b>FTE</b>	<b>2,026</b>	<b>2,085</b>	<b>2,120</b>	<b>2,217</b>	<b>+97</b>
VACO	272	268	293	309	+16
Field Stations	1,754	1,817	1,827	1,908	+81
<b>Obligations</b>					
Personnel Services	\$187,935	\$193,027	\$198,892	\$217,179	+\$18,287
Travel	2,460	4,543	2,810	3,083	+273
Transportation of Things	2,056	2,254	2,089	2,129	+40
Rents, Communications, and Utilities	14,888	16,026	15,942	16,245	+303
Printing and Reproduction	2,062	2,067	2,095	2,134	+40
Other Services	97,396	117,877	104,811	119,541	+14,730
Supplies and Materials	12,582	13,969	13,177	13,428	+250
Equipment	9,737	10,579	16,147	19,065	+2,918
Land and Structures	2,985	740	3,033	3,091	+58
Grants, Judgements, Interest, & Insurance	102	20	104	106	+2
<b>Total Obligations</b>	<b>\$332,202</b>	<b>\$361,100</b>	<b>\$359,100</b>	<b>\$396,000</b>	<b>+\$36,900</b>

**Personnel Services:** The 2022 request includes an additional 97 FTE. Nearly all of these additional FTE directly support field operations at VA cemeteries, including an increase in staff required for workload increases at existing cemeteries, the activation of new cemeteries, enhanced cemetery safety and training, and temporary staff to allow cemeteries to complete actions on deficiency reports.

**Travel:** Costs include headquarters and field personnel travel in connection with the operation of national cemeteries and other VA and NCA programs. Included are travel costs for site visits to assess performance of the national cemeteries, quality assurance inspections related to the procurement of headstones and markers, permanent change of station moves, engineering trips related to maintenance and construction projects, inspections, and other official travel required in administering the Veteran Cemetery Grant Program, as well as local travel.

**Transportation of Things:** Includes the transportation of household goods as part of permanent change of station moves of transferring employees. Other costs include the rental of trucks from GSA, local hauling charges, and the shipment of materials.

**Rents, Communications, and Utilities:** Includes rental of equipment at national cemeteries and payment of standard level user charges (SLUC) to GSA. Utility costs include electricity, water, and gas, which are required for the operation and maintenance of the national cemeteries. These

costs have increased at a rate significantly higher than inflation due to the frequency of extreme weather events related to climate change.

Printing and Reproduction: Costs include operating and technical manuals, regulations, handout maps, pamphlets, and the printing requirements of the PMC program. Handout maps are distributed to next-of-kin, other relatives, and the general public to help locate gravesites. The PMC requirements include special paper and envelopes, as well as the printing of the certificates.

Other Services: Costs include contract costs associated with National Shrine projects, non-recurring maintenance funds, and recurring maintenance, repair, operational, and other services as described below:

- National Shrine projects address gravesite renovations to raise and realign headstones and markers and to repair and replace turf.
- Non-recurring maintenance funding focuses on correcting deficiencies cited in the Facility Condition Assessments. NCA focuses on deficiencies that are assessed at a “D” or an “F” rating. A “D” rating is generally assigned when facilities are in poor condition or projects that have code or safety violations. “F” ratings are assessed when there is a failing or critical condition. These projects normally require immediate action.
- All other services include recurring maintenance, repair, operational, and other services.
  - Maintenance of equipment provides for maintaining and repairing lowering devices, mechanical grave excavators, tractors, backhoes, ditchers, mowers, generators, vehicles, and office machines.
  - Repair projects address deficiencies with any of over 4,300 buildings and structures and approximately 23 thousand acres of land within 158 national cemeteries and 34 soldiers’ lots and monument sites to maintain the appearance of national cemeteries as national shrines, dedicated to preserving our Nation’s history, and honoring the service and sacrifice Veterans have made.
  - Projects include recurring maintenance and repair of roads, drives, parking lots, and walks; painting of buildings, fences and gates; repair of roofs, walls, and irrigation; and electrical systems.
  - All other services include contractual services associated with cemetery maintenance and contracts such as trash disposal, rodent and pest control, environmental compliance and training, as well as payments to other VA offices for centralized support activities including iFAMS operations.

Supplies and Materials: Includes office supplies, fuel and petroleum products used in motor vehicles, as well as cemetery operations, grounds maintenance, and incidental supplies.

Equipment: Costs include cemetery maintenance and interment equipment such as grave excavating and grounds maintenance equipment, as well as office equipment including facsimile machines, multi-functional devices, and similar equipment. NCA requires an initial purchase of equipment for new cemeteries as they are opened and additional equipment as cemetery operations continue to increase after cemetery opening.

Land and structures: Includes fixed equipment for buildings and renewable energy projects utilizing solar, wind, and geothermal power.

Grants, Judgements, Interest, & Insurance: Includes payments to resolve federal tort claims against construction, operation, or administrative actions.





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## *National Cemetery Administration Construction Program*

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### **Overview**

Construction projects to develop additional gravesites at national cemeteries, establish new cemeteries, and make infrastructure improvements, along with land acquisitions for cemeteries, are critical to achieving the strategic goals and objectives of the National Cemetery Administration (NCA). These projects are funded from VA's Major and Minor Construction appropriations, which also support NCA's urban and rural initiatives. The funding request and justification for these two appropriations are found in Volume 4; however, NCA is providing this summary of its construction program to better relate the requested funding to its performance plan.

Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land.

Infrastructure investments support two key performance measures: 1) national cemetery appearance and 2) quality of service at national cemeteries. Construction projects to improve irrigation, renovate structures, resurface roads and build committal shelters, restrooms, and public information centers directly impact cemetery appearance and service to Veterans and their families.

NCA currently has the legal authority to acquire land for establishing new national cemeteries and to expand existing cemeteries. This allows NCA to dedicate funding to purchase land for future gravesite expansions or replacement cemeteries. Often prospective sellers, particularly estates, desire to move more quickly than the multi-year pace of the Federal budget development and approval process. Likewise, opportunities to purchase land may arise in key locations and NCA desires the flexibility to respond swiftly.

### **Burial Policies**

The current strategic target for the percent of the Veteran population served by a national or state Veterans cemetery within 75 miles of their home is 95 percent. The percent of Veterans served by a burial option in a national or state Veterans cemetery in 2020 was 93 percent. The independent *Evaluation of the VA Burial Benefits Program* (August 2008) offered an opportunity to reflect on a future strategic direction that will continue our success in meeting the burial needs of our Nation's Veterans. As a result, NCA identified several burial policies targeting increased access and availability of burial options for our Veterans, which were approved by Congress in 2011 and 2013. These policies include:

- Lowering the unserved Veteran population threshold to establish a new national cemetery to 80,000 within a 75-mile radius. Based on this policy, NCA developed

a plan to establish five new national cemeteries and provide a burial option to an additional 550,000 Veterans and their families. In 2016, NCA began interment operations at three of these cemeteries, Cape Canaveral and Tallahassee National Cemeteries in Florida and Omaha National Cemetery in Nebraska. In 2018, NCA opened Pikes Peak National Cemetery in Colorado and the first burial at Western New York was conducted in December 2020.

- Establishing Urban Initiative locations to improve travel time and access in densely populated metropolitan areas currently served by a national cemetery. NCA has identified five locations for this initiative in the Los Angeles and San Francisco/Oakland, California areas, Chicago, Illinois, New York, New York, and Indianapolis, Indiana metropolitan areas. The columbarium expansion at Los Angeles National Cemetery opened in October 2019 as the first completed project under NCA's Urban Initiative. New York and Indianapolis columbaria-only locations are scheduled to open in 2022.
- Establishing national cemeteries in rural areas where the Veteran population is less than 25,000 within a 75-mile service area. This initiative targets those states in which: 1) there is no national cemetery within the state open for first interments; and 2) areas within the state are not currently served by a state Veterans cemetery or a national cemetery in an adjacent state. Eight states meet these criteria (Idaho, Montana, Nevada, North Dakota, Maine, Utah, Wisconsin, and Wyoming). In 2014, NCA established the first national Veterans cemetery under the Rural Initiative at Yellowstone National Cemetery in Montana. In 2019, a rural cemetery opened at Fargo National Cemetery in North Dakota. Four additional rural cemeteries opened in 2020: Northwoods, Wisconsin; Acadia, Maine; Snake River Canyon, Idaho; and Cheyenne, Wyoming. Additionally, one cemetery is scheduled to open in 2022 at Cedar City National Cemetery in Utah and land acquisition is currently being pursued for the Nevada rural initiative.

The 2022 budget positions NCA to meet Veterans' emerging burial and memorial needs in the years to come through the continued implementation of these burial policies.

### **National Shrine Commitment**

The 2022 budget supports a continued commitment to ensure that national cemeteries meet or exceed the highest standards of appearance required by their status as national shrines. VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits of families and loved ones have ended. Infrastructure projects such as cemetery irrigation improvements, building renovations, maintenance of buildings and structures, and road and curb improvements are important to maintaining our cemeteries as national shrines.

## Major Construction Projects

<i>Major Construction Funding for NCA Programs</i>					
(dollars in thousands)					
<b>Construction</b>	<b>2020 Actual</b>	<b>2021 President's Budget</b>	<b>2021 Current Estimate</b>	<b>2022 Request</b>	<b>Change 2022 v 2021</b>
<b><u>Cemetery Expansion and Improvement:</u></b>					
Bayamon, PR Replacement Cemetery (Morovis).	\$10,000	\$0	\$0	\$0	\$0
Bourne, MA Gravesite Expansion.....	\$32,000	\$0	\$0	\$0	\$0
Dallas, TX Gravesite Expansion.....	\$28,000	\$0	\$0	\$0	\$0
Elmira, NY Western New York Cemetery.....	\$10,000	\$0	\$0	\$0	\$0
Houston, TX Gravesite Expansion.....	\$34,000	\$0	\$0	\$0	\$0
Riverside, CA Gravesite Expansion.....	\$3,000	\$0	\$0	\$0	\$0
Fort Sam Houston, TX Gravesite Expansion.....	\$0	\$56,000	\$56,000	\$0	-\$56,000
Miramar, CA Gravesite Expansion.....	\$0	\$31,000	\$31,000	\$0	-\$31,000
Ft. Logan, CO Gravesite Expansion.....	\$0	\$0	\$0	\$50,000	+\$50,000
Indiantown Gap, PA Gravesite Expansion.....	\$0	\$0	\$0	\$44,500	+\$44,500
<b>Advance Planning and Design Fund</b>	\$35,000	\$2,000	\$2,000	\$35,000	+\$33,000
<b>Land Acquisition</b>	\$20,000	\$5,000	\$5,000	\$1,000	-\$4,000
<b>Total, Major Projects</b>	<b>\$172,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$130,500</b>	<b>+\$36,500</b>

The 2022 major construction request for NCA includes funding for two gravesite expansion projects at Fort Logan and Indiantown Gap and for Advanced Planning and Design and Land Acquisition funds for new cemeteries and future expansions to maintain access to existing national cemeteries.

### **Fort Logan National Cemetery Phase I Gravesite Expansion**

This is a Phase I gravesite expansion and cemetery improvement project that will enable Fort Logan to continue providing burial services for eligible Veterans in the central Colorado area. Fort Logan was first opened in 1889 and serves an estimated Veteran population of 314,300 within a 75-mile service area. In 2020, this cemetery conducted 3,529 total interments and is ranked the 10<sup>th</sup> busiest national cemetery by interment workload. Of the 3,529 total interments, 1,405 were casketed (40%) and 2,124 were for cremated remains (60%). With these burial rates, NCA projects gravesite depletion of the more efficient casketed pre-placed crypts by January 2029 and cremation gravesites by May 2027. This project will extend the full range of burial options for an additional 15+ years, as well as provide numerous operational and infrastructure improvements.

This investment will develop approximately 20 acres of undeveloped land to provide an estimated 34,100 gravesites, including both casket and cremation sites in new burial sections. In addition to developing casket and cremation gravesite burial options and supporting infrastructure, this project provides for other needed cemetery enhancements. Based on a redesign of flow characteristics

and drainage basin capacity by the City of Denver, high priority dam repairs will be required to handle the increased water flow of Fort Logan's two lakes, to include bank rehabilitation and dredging. This project will also include a major renovation of the 35-year old Administration Building near the main entrance that is heavily used by the visiting public. This single building houses the public information center, the public restrooms, and the honor guard building. Finally, this project will fund removal of buried debris on new land, upgrades to the existing irrigation system, expansion of irrigation lines into the new burial sections, and other necessary cemetery infrastructure improvements.

### **Indiantown Gap National Cemetery Phase V Gravesite Expansion**

This is a Phase V gravesite expansion and cemetery improvement project that will enable Indiantown Gap National Cemetery to continue providing burial services for eligible Veterans in the Central and Eastern Pennsylvania area. Indiantown Gap was first opened for burials in 1982 and serves an estimated 497,000 Veterans within a 75-mile service area. In 2020, this cemetery conducted 2,192 interments and was ranked the 22<sup>nd</sup> busiest national cemetery by interment workload. Of the 2,192 total interments, 865 were casketed (39%) and 1,327 were for cremated remains (61%). With these burial rates, NCA projects gravesite depletion of casketed gravesites by June 2028 and in-ground cremation gravesites by March 2031. This project will extend the full range of burial options for an additional 15+ years, as well as provide numerous cemetery operational and infrastructure improvements.

This investment will develop approximately 25 acres of undeveloped land at Indiantown Gap National Cemetery to provide an estimated 15,700 gravesites, including both casket and cremation sites in new burial sections. In addition to developing casket and cremation gravesite burial options and supporting infrastructure, this project provides for other needed cemetery enhancements. Due to the cumulation of successive gravesite expansion projects deeper into the cemetery interior, this project will construct a Satellite Maintenance Facility centrally located to better facilitate this and future expansion projects in accordance with the Master Plan of the entire cemetery. The Satellite Maintenance Facility will include, but is not limited to, employee spaces, equipment and supply storage, and refueling facilities. Also, this project will demolish the existing Committal Shelter #2, currently located on the main road and affording little privacy to attendees, and construct a new shelter deeper into the cemetery in accordance with the Master Plan. Additionally, this project will construct an Honor Guard Building in accordance with NCA Design Standards. Finally, this project will provide upgrades to the existing irrigation system, expansion of irrigation lines into the new burial sections, and other necessary cemetery infrastructure improvements.

### **Advance Planning and Design Fund**

The 2022 budget request includes \$35 million for advance planning and design activities such as master planning and design for new cemeteries and expansions at existing national cemeteries. These funds are needed to begin planning and design for projects that will be needed to prevent gravesite depletions and to establish new burial service in the near future. These funds will also provide for environmental assessments at national cemeteries and performance of facility condition assessments at national cemeteries, soldiers' lots, and monument sites under the jurisdiction of NCA.

### **Land Acquisition**

The 2022 request includes \$1 million for land acquisition funds in the Major Construction account. These funds will enable NCA to acquire the land needed to support cemetery expansions or replacements. Often prospective sellers, particularly estates, desire to move more quickly than the multi-year pace of the federal budget development and approval process. Likewise, opportunities to purchase land may arise in key locations and NCA desires the flexibility to respond swiftly.

### Minor Construction Projects

NCA’s 2022 minor construction budget provides funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. It also continues funding the development of national cemeteries under the Rural Initiative to serve Veterans in rural areas with up to 25,000 Veterans residing within a 75-mile radius. Additionally, NCA is committed to reducing the number of critical FCA infrastructure deficiencies related to safety and/or compliance and will address the growing list of FCA deficiencies rated D and F.

<i>Minor Construction Funding for NCA Programs</i> (dollars in thousands)					
	<b>2020 Actual</b>	<b>2021 President’s Budget</b>	<b>2021 Current Estimate</b>	<b>2022 Request</b>	<b>Change 2022 v 2021</b>
Cemetery Expansion and Improvement.....	\$37,611	\$32,085	\$32,085	\$52,187	+\$20,102
Land Acquisition/Below Threshold.....	\$42,909	\$53,945	*\$48,082	\$54,803	+\$6,721
<b>Total for Minor Projects</b>	<b>\$80,520</b>	<b>\$86,030</b>	<b>\$80,167</b>	<b>\$106,990</b>	<b>+\$26,823</b>

\* 2021 Current Estimate reflects \$5.9M Congressional rescission reducing the net BA to \$80.2M

Minor construction funds may also be used at any of the 158 national cemeteries and 34 soldiers’ lots and monument sites under the jurisdiction of NCA requiring emergency repairs because of floods, fires, hurricanes, tornadoes, earthquakes, strong winds, etc., where no other means of funding exist.

### Land Acquisition/Below Threshold

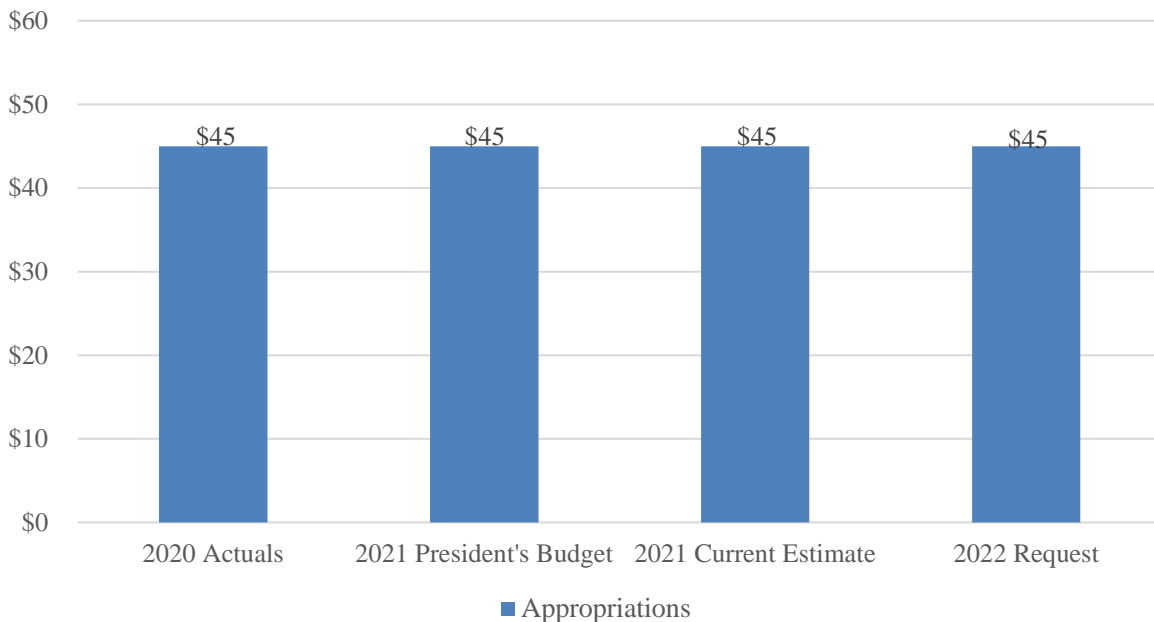
The 2022 Minor Construction request includes \$54.8 million for land acquisition and below threshold projects. NCA currently has the legal authority to acquire land for establishing new national cemeteries and to expand existing cemeteries. This allows NCA to dedicate funding to purchase land for future gravesite expansions that will be funded as separate minor projects. Identifying and purchasing a parcel of land can be a difficult and unpredictable process. Prospective sellers often desire to move more quickly than the multi-year pace of the Federal budget development and approval process. The remaining funds are available for all other below threshold projects that improve mission essential facilities, address critical cemetery safety

and accessibility factors, modernize cemetery irrigation systems and controls, and revitalize historic cemetery facilities and structures.



## *Grants for Construction of Veterans Cemeteries*

### **Summary of Budget Authority – Grants for Construction of Veterans Cemeteries (\$ in millions)**



### **Appropriation Language**

For grants to assist States and tribal organizations in establishing, expanding, or improving veterans cemeteries as authorized by section 2408 of title 38, United States Code, \$45,000,000, to remain available until expended.

### **Program Description**

Grants are provided to States and tribal organizations for the establishment, expansion, or improvement of state and tribal Veterans cemeteries. The state and tribal Veterans cemeteries complement the national cemeteries and are a critical part of the National Cemetery Administration (NCA) strategy for meeting the burial needs of Veterans and their families.

NCA is committed to providing access to first interment burial options (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. It is not feasible; however, for VA to build and operate national cemeteries in enough locations to provide every eligible Veteran with a burial option in a national cemetery in that geographic range. Increasing the availability of state

and tribal Veterans cemeteries is a means to provide a burial option to those Veterans who may not have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands.

To be considered for an establishment, expansion, or improvement grant of a state or tribal Veterans cemetery, a state or tribal organization must submit a preapplication via [Grants.gov](https://www.grants.gov). All grant preapplications must be received by the Veterans Cemetery Grants Program (VCGP) no later than July 1<sup>st</sup> of the current fiscal year to be considered “actionable” for the upcoming fiscal year. Applications with complete paperwork, including legislation and 10 percent matching funds, are prioritized based on the following criteria.

- Priority Group 1: Expansion of an existing Veteran state or tribal cemetery that will deplete a burial option in less than 4 years;
- Priority Group 2: Establishment of a new Veteran state or tribal cemetery based on geographical area with the largest number of unserved Veterans;
- Priority Group 3: Expansion of an existing Veteran state or tribal cemetery that will deplete a burial option in more than 4 years; and
- Priority Group 4: Improvement of an existing cemetery to cemetery landscaping or infrastructure, such as building expansions and upgrades to roads and irrigation systems that are not directly related to the development of new gravesites. Operation and Maintenance projects are also included in this group.

The prioritized list of projects is approved by the Under Secretary for Memorial Affairs and released on NCA’s webpage on October 1<sup>st</sup> of the new fiscal year. The states and tribal organizations slated to receive a grant opportunity are notified via UPS mailing.

## **Program Highlights**

Since 1980, the Veterans Cemetery Grants Program has awarded grants totaling more than \$862 million to establish, expand or improve 118 Veterans cemeteries in 48 states and territories, (including Guam, Saipan and Puerto Rico).

In December 2020, the program opened a new state cemetery, the Southeast Idaho Veterans Cemetery in Blackfoot, ID. NCA anticipates opening two additional grant-funded cemeteries in 2021, the Metlakatla Tribal Veterans Cemetery in Alaska and the South Dakota State Veterans Cemetery in Sioux Falls, SD. These three new cemeteries will provide a burial option to almost 57,000 currently unserved Veterans and their eligible family members.

NCA expects to continue the success of the program in 2021 by funding 14 grants for expansion, improvement or establishment of state and tribal Veterans cemeteries, including an establishment grant for one new state Veterans cemetery.

In 2021, an estimated 40,000 Veterans and eligible family members will be buried in state or tribal Veterans cemeteries that are grant funded, which is approximately 23 percent of the total annual interments in national, state and tribal cemeteries.



<b>Appropriation Highlights</b>					
(dollars in thousands)					
	2020	2021	2021	2022	Increase (+)
	Actuals	President's	Current	Request	Decrease (-)
		Budget	Estimate		
Obligations.....	\$46,665	\$45,659	\$48,280	\$49,000	+\$720
Unobligated balances:					
Start of year (-).....	-6,302	-659	-6,898	-4,704	+\$2,194
Prior Year Recoveries	-2,262	0	-1,086	0	+\$1,086
End of year .....	6,898	0	4,704	704	-\$4,000
Budget authority					
(appropriation) .....	\$45,000	\$45,000	\$45,000	\$45,000	0

### **Summary of Budget Request**

In 2022, NCA requests \$45 million to fund grants to States and tribal organizations for the establishment, expansion, or improvement of Veterans cemeteries. The Grants program plays a crucial role in achieving NCA's strategic target of providing 95 percent of Veterans with reasonable access to a burial option.

<b>Total Obligations by State</b>			
AK	\$1,083,297	MT	\$12,435,439
AL	\$7,663,582	NC	\$19,554,689
AR	\$24,379,455	ND	\$8,639,028
AZ	\$26,879,295	NE	\$5,519,756
CA	\$26,712,073	NH	\$9,731,136
CO	\$6,007,010	NJ	\$40,537,331
CT	\$11,975,063	NM	\$15,644,795
DE	\$21,365,459	NV	\$31,239,726
GA	\$16,584,850	OH	\$798,987
GU	\$9,266,873	OK	\$1,801,695
HI	\$36,838,710	PA	\$23,223
IA	\$8,544,650	PR	\$7,135,050
ID	\$18,051,617	RI	\$10,781,745
IL	\$235,133	SC	\$8,271,565
IN	\$6,105,439	SD	\$24,220,468
KS	\$19,502,958	TN	\$31,416,656
KY	\$39,951,018	TX	\$49,150,597
LA	\$36,558,268	UT	\$5,369,417
MA	\$21,025,004	VA	\$32,601,007
MD	\$52,348,237	VT	\$6,554,699
ME	\$21,992,174	WA	\$10,982,766
MN	\$27,685,935	WI	\$21,722,593
MO	\$30,809,986	WV	\$14,118,456
MP	\$5,260,988	WY	\$3,083,992
MS	\$13,631,370	<b>Total</b>	<b>\$861,793,260</b>

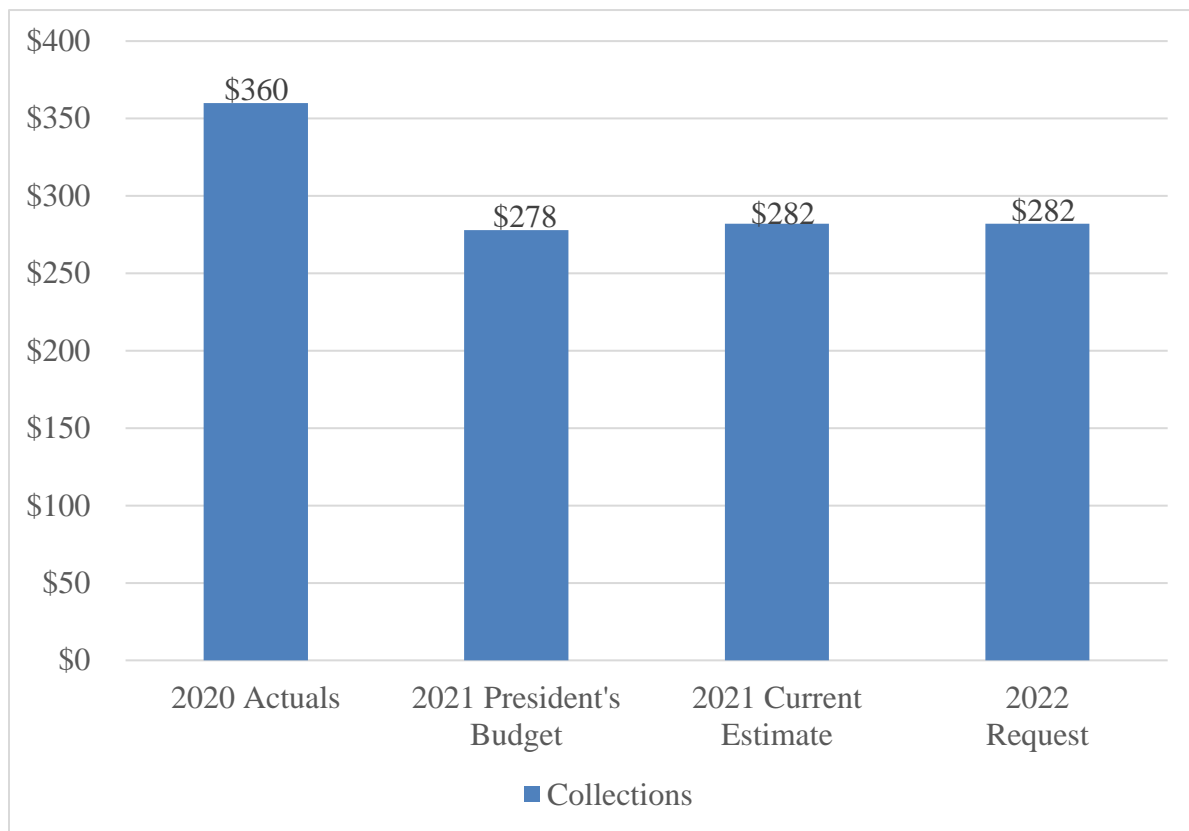


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## *National Cemetery Administration Facilities Operation Fund*

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### **Summary of Budget Authority – National Cemetery Administration Facilities Operation Fund (\$ in thousands)**



### **Program Description**

Public Law 108-454, Section 602, codified in 38 U.S.C. 2412, provides authority to lease any undeveloped land and unused or underutilized buildings of the National Cemetery Administration (NCA), or parts or parcels thereof, for a term not to exceed 10 years.

<b><i>Fund Highlights</i></b>				
(dollars in thousands)				
	2020	2021	2021	2022
	Actual	President's	Current	Request
		Budget	Estimate	
Obligations .....	\$0	\$278	\$770	\$497
Unobligated balances:				
Start of Year (-) .....	-667	0	-1,027	-663
Prior Year Recoveries (-) ...	0	0	-124	0
End of Year .....	1,027	0	663	448
Budget Authority				
(from collections) .....	\$360	\$278	\$282	\$282

## Summary of Budget Request

The NCA Facilities Operation Fund is a special fund, which is financed by proceeds from the lease of undeveloped land, the lease of unused or underutilized buildings, and by the proceeds from agricultural licenses of lands under the control of the National Cemetery Administration. No appropriation action from Congress is required.

## Program Activity

Obligations of the Fund are estimated to be \$770,000 in 2021 and \$497,000 in 2022. NCA estimates obligations to be 75 percent of the preceding fiscal year end-of-year balance.

The Facilities Operation Fund became operational in March 2005. NCA uses this fund to cover a portion of costs incurred by the National Cemetery Administration in the operation and maintenance of its properties. In 2021 and 2022, NCA intends to use this fund to address deficiencies identified on the Facility Condition Assessment (FCA) to ensure safe and effective cemetery operations. The Facilities Operation Fund contributes to accomplishing our objective of ensuring that national cemeteries are shrines dedicated to honoring the service and sacrifice Veterans have made.

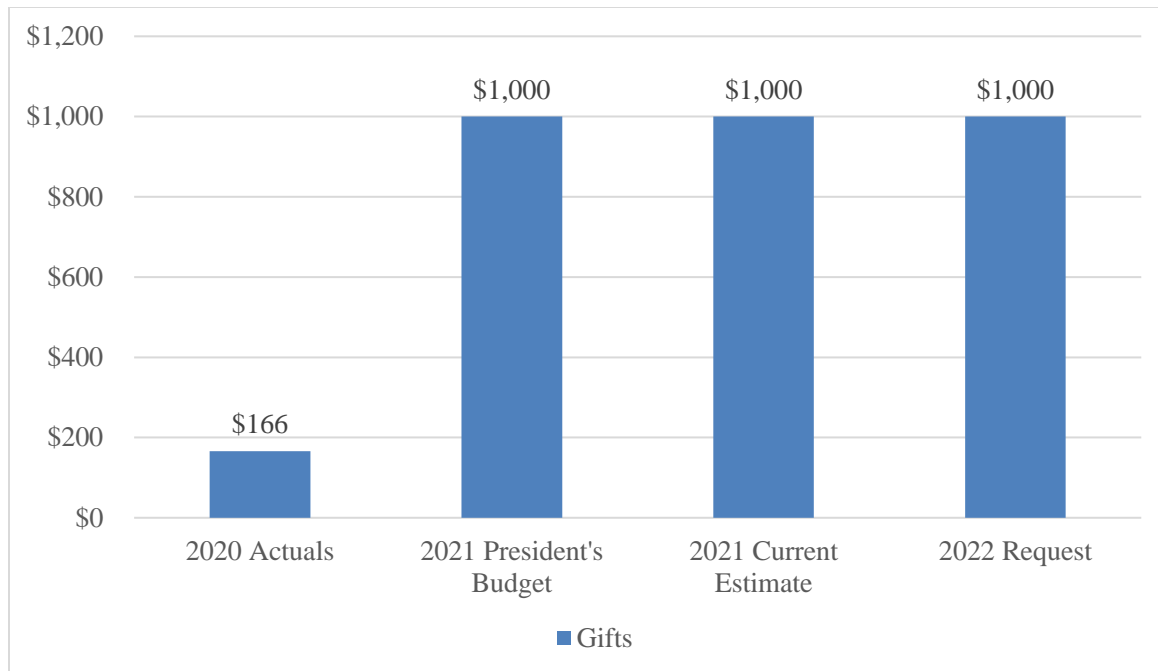


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## *National Cemetery Gift Fund*

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### **Summary of Budget Authority – National Cemetery Gift Fund (\$ in thousands)**



### **Gift Fund Program Description**

Public Law 93-43, as amended, codified in 38 U.S.C. 2407, provides authority to accept gifts and bequests for the purpose of beautifying national cemeteries, or which are determined to be beneficial to such cemeteries.

<b>Fund Highlights</b>				
(dollars in thousands)				
	<b>2020</b>	<b>2021</b>	<b>2021</b>	<b>2022</b>
	<b>Actuals</b>	<b>President's</b>	<b>Current</b>	<b>Request</b>
		<b>Budget</b>	<b>Estimate</b>	
Obligations.....	\$685	\$1,000	\$1,000	\$1,000
Unobligated balances:				
Start of year (-).....	-1,806	-1,806	-1,287	-1,349
Prior Year Recoveries(-).		0	-62	0
End of year .....	1,287	1,806	1,349	1,349
Budget authority				
(appropriation).....	<b>\$166</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>

## Summary of Budget Request

The National Cemetery Gift Fund is a trust fund, which is financed from gifts and bequests from donors. No appropriation action is required.

## Program Activity

Fund obligations are estimated to be \$1.0 million in 2022. Congress established the Gift Fund, which authorized the acceptance of gifts and bequests as of October 1, 1989. The fund is used primarily for beautification and improvements to cemetery grounds such as landscaping, walkways, and benches and may be used for other items beneficial to the cemetery and the Veterans served. In this way, gift fund activity contributes to accomplishing our objective of ensuring that national cemeteries are shrines dedicated to honoring the service and sacrifice Veterans have made.

The National Cemetery Administration (NCA) is now accepting online donations to the Gift Fund through [pay.gov](https://www.pay.gov). NCA donation icons have been placed on the internal and public-facing websites directing potential donors to the donation forms. Pay.gov is a program of the U.S. Department of the Treasury, Bureau of the Fiscal Service, and provides government agencies flexible online and offline internet-based services. Agency customers benefit from the ability to make and manage their payments easily 24 hours per day, 365 days per year.



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## *Benefits*

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### **Part 2**

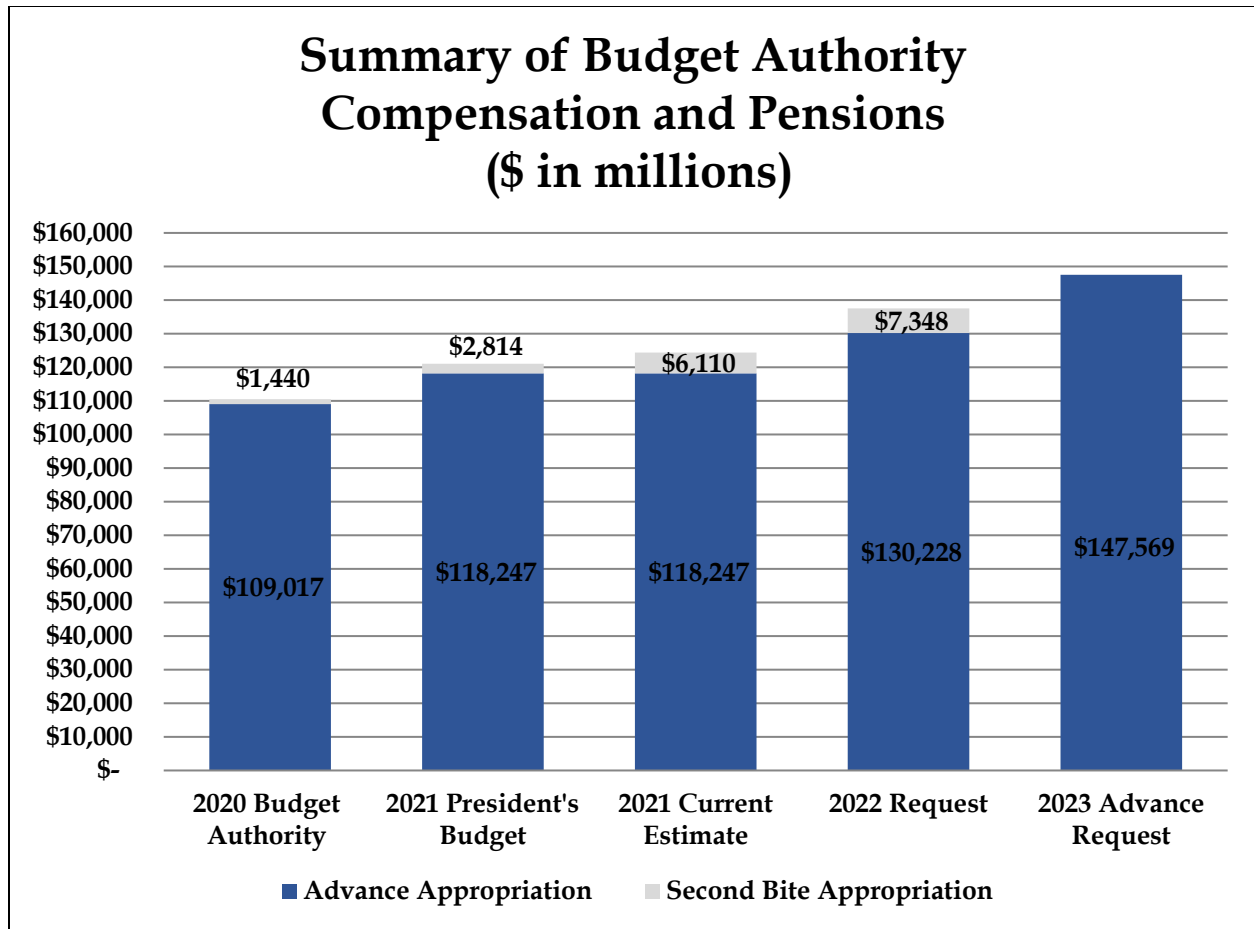
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## Compensation & Pensions



Note: Carryover balances from previous years are not included in totals.

## **Appropriation Language**

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by section 107 and chapters 11, 13, 18, 51, 53, 55, and 61 of title 38, United States Code; pension benefits to or on behalf of veterans as authorized by chapters 15, 51, 53, 55, and 61 of title 38, United States Code; and burial benefits, the Reinstated Entitlement Program for Survivors, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of title IV of the Servicemembers Civil Relief Act (50 U.S.C. App. 541 et seq.) and for other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code, \$7,347,837,000, which shall be in addition to funds previously appropriated under this heading that became available on October 1, 2021, to remain available until expended; and, in addition, \$147,569,474,000 shall become available on October 1, 2022, to remain available until expended: Provided, that not to exceed \$20,115,000 of the amount made available for fiscal year 2023 under this heading shall be reimbursed to "General Operating Expenses, Veterans Benefits Administration", and "Information Technology Systems" for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the "Compensation and Pensions" appropriation: Provided further, that such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical Care Collections Fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

## Summary of Appropriation Highlights

(dollars in thousands)

	2020	2021		2022	2023	2021 - 2022	2022 - 2023
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
<b>Compensation Obligations</b>							
Veterans	\$97,130,137	\$105,219,137	\$107,027,566	\$120,016,285	\$129,177,810	+\$12,988,719	+\$9,161,525
Survivors	7,697,953	8,093,522	8,574,401	10,267,576	9,426,597	+\$1,693,175	-\$840,979
Special Benefits for Children	21,341	24,492	24,789	25,222	25,617	+\$433	+\$395
Clothing Allowance	122,854	145,824	126,577	137,497	146,017	+\$10,920	+\$8,520
Other (REPS, SAFD, EAJA)	38,776	38,150	48,012	58,047	68,392	+\$10,035	+\$10,345
Contract Exam Pilot Program - VBA	1,782,545	2,233,205	2,667,560	3,274,079	3,369,971	+\$606,519	+\$95,892
Contract Exam Pilot Program - IT	-	-	7,755	7,910	8,069	+\$155	+\$159
OBRA Payments to VBA GOE	3,558	7,119	3,629	7,897	7,897	+\$4,268	+\$0
<b>Total Compensation Obligations:</b>	<b>\$106,797,165</b>	<b>\$115,761,451</b>	<b>\$118,480,290</b>	<b>\$133,794,514</b>	<b>\$142,230,371</b>	<b>+\$15,314,224</b>	<b>+\$8,435,857</b>
<b>Pensions Obligations</b>							
Veterans	\$3,027,548	\$3,279,529	\$2,963,553	\$3,010,928	\$3,085,051	+\$47,375	+\$74,123
Survivors	1,718,788	1,653,903	1,730,161	1,749,108	1,786,425	+\$18,947	+\$37,317
Contract Exam Pilot Program - VBA	131	-	298	305	311	+\$7	+\$6
OBRA Payments to VBA GOE	14,233	11,028	14,518	12,218	12,218	-\$2,300	+\$0
<b>Total Pension Obligations:</b>	<b>\$4,760,700</b>	<b>\$4,944,460</b>	<b>\$4,708,530</b>	<b>\$4,772,559</b>	<b>\$4,884,004</b>	<b>+\$64,029</b>	<b>+\$111,445</b>
<b>Burial Obligations</b>							
Burial Allowance	\$26,185	\$60,311	\$56,550	\$58,303	\$79,677	+\$1,753	+\$21,374
Burial Plot	43,713	23,495	46,236	47,645	50,358	+\$1,409	+\$2,713
Service Connected Deaths	88,371	115,203	142,967	149,115	159,254	+\$6,148	+\$10,139
Burial Flags	25,922	26,904	22,756	22,801	22,825	+\$45	+\$24
Headstones/Markers/Allowances	105,654	90,705	94,737	98,481	99,624	+\$3,744	+\$1,143
Graveliners/OBRs	47,066	37,908	40,563	41,211	42,947	+\$648	+\$1,736
Caskets/Urns	332	460	477	452	414	-\$25	-\$38
<b>Total Burial Obligations:</b>	<b>\$337,244</b>	<b>\$354,986</b>	<b>\$404,286</b>	<b>\$418,008</b>	<b>\$455,099</b>	<b>+\$13,722</b>	<b>+\$37,091</b>
<b>Total C&amp;P Obligations</b>	<b>\$111,895,109</b>	<b>\$121,060,896</b>	<b>\$123,593,106</b>	<b>\$138,985,080</b>	<b>\$147,569,474</b>	<b>+\$15,391,974</b>	<b>+\$8,584,394</b>
<b>Funding:</b>							
Unobligated Balances (SOY)	-\$1,721,409	-	-\$645,474	-\$1,409,594	-	-\$764,120	\$1,409,594
Prior Year Recoveries	607,514	-	-	-	-	-	-
Unobligated Balances (EOY)	890,898	-	1,409,594	-	-	-\$1,409,594	-
Advance Appropriation	\$109,017,152	\$118,246,975	\$118,246,975	\$130,227,650	\$147,569,474	+\$11,980,675	+\$17,341,824
Second Bite Appropriation	\$1,439,931	\$2,813,922	\$6,110,252	\$7,347,837	-	+\$1,237,585	-\$7,347,837
Outlays (Net)	\$110,123,650	\$120,104,512	\$122,459,758	\$148,343,865	\$146,216,009	+\$25,884,107	-\$2,127,856
<b>Distribution of Budget Authority (Net):</b>							
Compensation	\$105,359,139	\$115,761,451	119,244,411	132,384,920	142,230,371	+\$13,140,509	+\$9,845,451
Pension	\$4,760,700	\$4,944,460	4,708,530	4,772,559	4,884,004	+\$64,029	+\$111,445
Burial	\$337,244	\$354,986	404,286	418,008	455,099	+\$13,722	+\$37,091
<b>Distribution of Outlays (Net):</b>							
Compensation	\$105,034,980	\$114,844,243	\$117,390,261	\$142,830,961	\$140,921,839	+\$25,440,700	-\$1,909,122
Pension	\$4,751,426	\$4,905,284	\$4,665,211	\$5,094,896	\$4,839,071	+\$429,685	-\$255,825
Burial	\$337,244	\$354,986	\$404,286	418,008	455,099	+\$13,722	+\$37,091

Notes: 1) Dollars may not add due to rounding in this and subsequent charts.

2) Of the \$890.9 million EOY 2020 unobligated balance, \$245.4 million expired, and \$645.5 million is carried forward into 2021

## Caseload Summary (In Whole Dollars)

	2020	2021		2022	2023	2021 - 2022	2022 -2023
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
<b>Compensation</b>							
<b>Veterans:</b>							
Cases	5,034,096	5,267,797	5,245,629	5,503,550	5,724,030	+257,921	+220,480
Average Payment	\$19,294	\$19,974	\$20,403	\$21,807	\$22,568	+\$1,404	+\$761
<b>Survivors:</b>							
Cases	439,543	456,463	455,456	475,146	492,868	+19,690	+17,722
Average Payment	\$17,514	\$17,731	\$18,826	\$21,609	\$19,126	+\$2,783	-\$2,483
<b>Other Caseload:</b>							
Special Benefits for Children	1,128	1,266	1,288	1,281	1,274	-7	-7
Clothing Allowance	148,260	172,116	153,465	160,118	166,543	+6,653	+6,425
REPS	3	4	2	2	2	-	-
Special Allowance for Dependents	17	15	16	15	14	-1	-1
Equal Access to Justice Act	6,864	6,984	8,394	9,924	11,454	+1,530	+1,530
<b>Pensions</b>							
<b>Veterans:</b>							
Cases	229,830	231,183	215,382	209,355	205,275	-6,027	-4,080
Average Payment	\$13,173	\$14,186	\$13,760	\$14,382	\$15,029	+\$622	+\$647
<b>Survivors:</b>							
Cases	163,585	161,325	154,635	147,472	142,768	-7,163	-4,705
Average Payment	\$10,507	\$10,252	\$11,189	\$11,861	\$12,513	+\$672	+\$652
<b>Burial Caseload</b>							
Burial Allowance	62,048	69,864	62,983	64,111	66,300	+1,128	+2,189
Burial Plot	56,443	29,887	57,293	58,320	60,311	+1,027	+1,991
Service-Connected Deaths	50,504	43,524	54,038	56,099	59,126	+2,061	+3,027
Burial Flags	368,646	450,500	452,880	439,056	425,232	-13,824	-13,824
Headstones/Markers/Allowances	323,051	344,577	344,577	341,693	337,312	-2,884	-4,381
Graveliners/Outer Burial Receptacles	99,956	71,535	106,616	105,724	104,369	-892	-1,355
Caskets/Urns	277	333	295	293	289	-2	-4

### Funding Highlights

In 2022, the budget requests \$137.6 billion for the Compensation and Pensions (C&P) account, which is an increase of \$7.3 billion over the 2022 advance appropriation request. Additionally, this budget includes a \$147.6 billion advance appropriation request for 2023. This appropriation will fund disability compensation and pension payments to or on behalf of Veterans, burial benefits, the contract examination pilot program, and other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code.

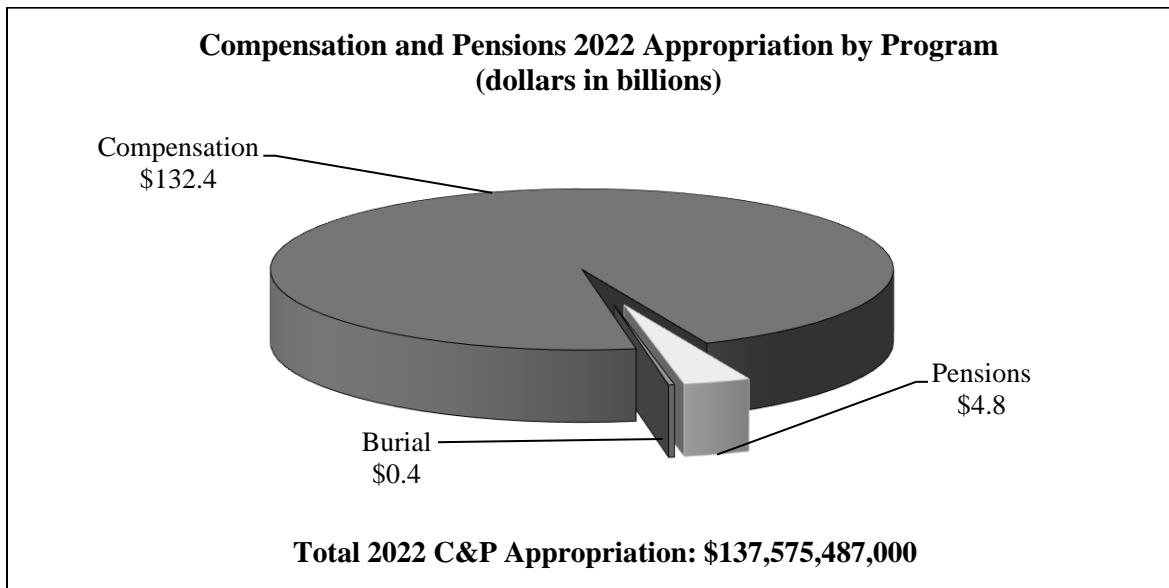
## Summary of 2022 Budget

Budget authority of \$137.6 billion combined with an anticipated unobligated balance of \$1.4 billion carried forward to 2022 will support \$139.0 billion in obligations for benefit programs that are funded by the Compensation and Pensions appropriation account.

VBA has completed over one million claims for eleven consecutive years, including nearly 1.4 million compensation and pension claims completed in 2020. Notably, the number of Veterans receiving disability compensation benefits has increased over this time period, from 3.3 million in 2011 to over 5.0 million in 2020. VBA expects production levels to remain high through 2022 (see VBA GOE's Disability Compensation Chapter for more information on claims processing). VBA also anticipates more Veterans will access the compensation rolls with increased obligations to Veterans.

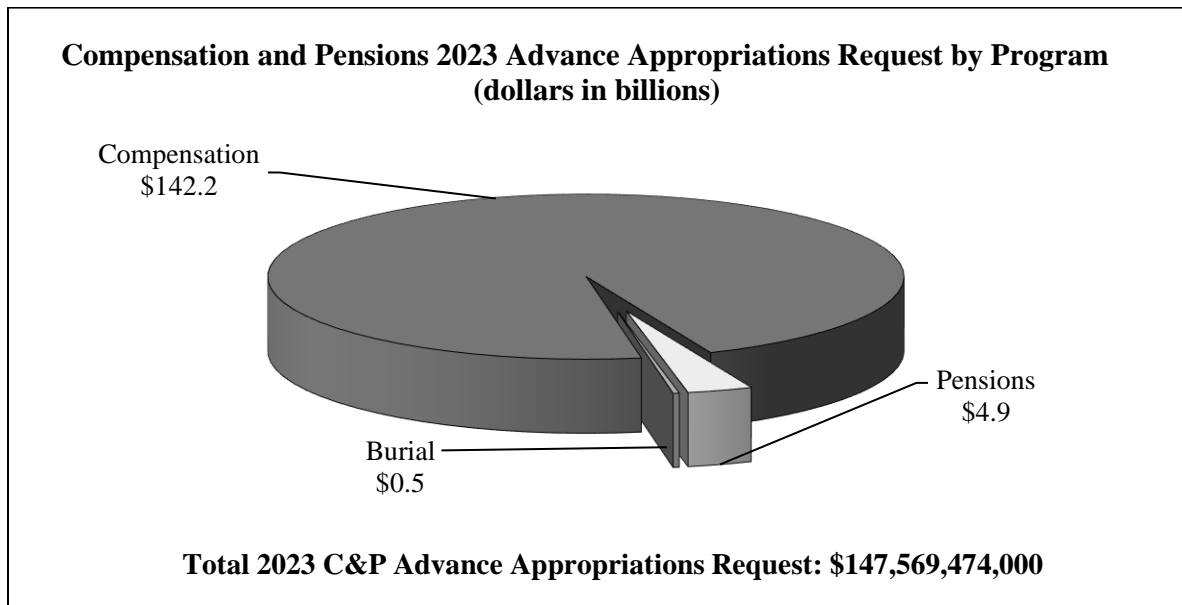
In addition, section 9109 of the National Defense Authorization Act for Fiscal Year 2021, P.L. 116-283 identified three new Agent Orange presumptive conditions (Parkinson's-like symptoms, bladder cancer, and hypothyroidism) as having an association with exposure to tactical herbicides used during the Vietnam era. As a result, the estimate to the Compensation and Pensions budget is an increase of \$3.0 billion in obligations in 2022, including an estimated \$2.2 billion in retroactive payments.

In 2022, budgetary resources for compensation consists of \$132.4 billion in new authority and \$1.4 billion in unobligated balances. Total compensation obligations are estimated at \$133.8 billion for payments to 5,503,550 Veterans, 475,146 Survivors, and 1,281 children receiving special benefits. Pensions will be provided to an estimated 209,355 Veterans and 147,472 Survivors totaling \$4.8 billion. An additional \$418.0 million will support burial benefits on behalf of eligible deceased Veterans in 2022.



## **2023 Advance Appropriations Request**

Budget authority of \$147.6 billion will support the benefit programs funded by the Compensation and Pensions account. The advance appropriation will fund \$142.2 billion in compensation payments to an estimated 5,724,030 Veterans, 492,868 Survivors, and 1,274 children receiving special benefits. Pensions will be provided to an estimated 205,275 Veterans and 142,768 Survivors totaling \$4.9 billion. An additional \$455.1 million is requested for 2023 to provide burial benefits on behalf of eligible deceased Veterans.



VA will have an opportunity to request additional mandatory resources, if necessary, during the 2023 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will be able to reduce its 2024 Advance Appropriations request should the 2023 estimate prove too high.

## **Changes from Original 2021 Budget Estimate**

Current estimated obligations for the Compensation and Pensions account are \$123.6 billion, an increase of \$2.5 billion from the original 2021 estimate. The increase in obligations is a result of 2020 actual experience as well as the impact of COVID-19 on VA's debt collections<sup>1</sup> and contract exams, the Nehmer federal court decision (see below Enacted Legislation and Federal Court Decision section), and recently enacted legislation. The 2021 budget authority of \$124.4 billion combined with the unexpired unobligated balance of \$645.5 million carried forward into 2021 will fund the current estimated obligations. An estimated unobligated balance of \$1.4 billion at the end of 2021 will be carried forward into 2022.

### **Policy Changes as a Result of COVID-19**

The following policy changes have been incorporated into the 2022 budget request since the original 2021 budget estimate:

<sup>1</sup> VA's Debt Collection Policy: <https://www.va.gov/finance/docs/VA-FinancialPolicyVolumeXIICchapter10.pdf>

- On April 3, 2020, VA announced a number of actions aimed to provide Veterans with financial benefits and claims help amid VA’s COVID-19 response. These actions included the following modifications to VA’s debt collection policy, effective until further notice:
  - For any new Veteran debt after that date, VA suspended all collections;
  - For existing VA debt, Veterans may request a temporary collection suspension or extended repayment plan; and
  - For existing Veteran debt under the jurisdiction of the Department of Treasury, VA suspended all actions.

These changes to VA debt policy are estimated to increase obligations by \$933.8 million in 2021 for the Compensation and Pension Account.

- In April 2020, VHA notified VBA that VHA facilities needed to prioritize essential and critically needed health care services during the emergency, and therefore, VA transitioned over 200 thousand C&P exams to VBA’s contractors. VHA has maintained C&P exam activities, such as telehealth, acceptable clinical evidence, and other distance-care services, as VHA continues to prioritize and deploy resources in support of COVID-19 emergency response activities. This change is estimated to increase Compensation and Pension obligations by \$353.4 million in 2021.

### **Enacted Legislation and Federal Court Decision**

The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, P.L. 116-315 made several changes impacting compensation benefits in 2021 including:

- Revising the definition of the Vietnam era as beginning on November 1, 1955, instead of February 28, 1961 (Section 2001),
- Establishing entitlement for surviving spouses of Medal of Honor recipients (Section 2003),
- Lowering the age at which a surviving spouse may still receive dependency indemnity compensation benefits at the point of remarriage (Section 2009),
- Establishing a presumption of service-connection for members of the Armed Forces who contract Coronavirus Disease 2019 under certain circumstances (Section 4101), and
- Requiring VA to reimburse all beneficiaries in the fiduciary program who have experienced benefits misuse by a fiduciary (Section 7005).

The combined impact of this legislation is estimated to increase compensation and pension obligations by \$30.5 million in 2021.

On November 5, 2020, the U.S. District Court for the Northern District of California ruled the “Nehmer” automatic readjudication of disability compensation claims is required for Blue Water Navy Veterans. (Nehmer, et al v. U.S. Department of Veterans Affairs, No. C 86-06160 WHA). Costs to the compensation and pensions account are estimated to be \$803.8 million in 2021.

### **Compensation**

The current estimated obligations for the compensation program increased \$2.7 billion from the original 2021 estimate. This is the cumulative impact of changes to Veteran compensation, Survivor compensation, and other miscellaneous compensation obligations.

The current estimated obligations for Veteran compensation increased by \$1.8 billion from the original estimate. An increase of \$429 to the Veteran compensation average annual benefit payment (\$20,403 vs. \$19,974) results in an increase in obligations of \$2.3 billion in 2021. A decrease in Veteran compensation caseload (5,245,629 vs. 5,267,797) decreases obligations by \$452.3 million. The changes to average payment and caseload for Veterans compensation are based on 2020 experience combined with the impact of the Federal court decision regarding the application of Nehmer automatic readjudication for Blue Water Navy Veterans, the enactment of P.L. 116-315, and debt policy decisions as a result of COVID-19.

The current estimate for Survivor compensation obligations has increased by \$480.9 million from the original 2021 estimate. Average payment estimates for Survivor compensation increased from the original estimate (\$18,826 vs \$17,731), resulting in an increase to obligations of \$499.8 million. The increased average payment is primarily driven by the impact of retroactive payments to Survivors of Blue Water Navy Veterans due to the Nehmer Blue Water Navy court decision. A slight decrease to estimated Survivor caseload (455,456 vs. 456,463), based on 2020 experience, decreases obligations by \$19.0 million.

Compensation benefits also include clothing allowance, special benefits for children, VBA Omnibus Budget Reconciliation Act (OBRA) payments, the contract exams pilot program, Reinstated Entitlement Program for Survivors (REPS), Special Allowance for Dependents (SAFD), and Equal Access to Justice Act (EAJA) payments. A net increase of \$429.5 million is a result of changes in these programs. Payments for the contract exams program in 2020 increased by \$442.1 million from the original estimate due to an increase in the volume of work completed by contract examiners as result of VHA transitioning C&P exams to VBA and an increase in compensation workload projections. REPS, SAFD, and EAJA increased by a combined \$9.9 million, while special benefits for children increased by \$297 thousand from the original estimate. Partially offsetting these increases, clothing allowance and OBRA decreased \$19.2 million and \$3.5 million, respectively, from the original estimate.

### **Pensions**

The current estimated obligations for the pensions program decreased \$235.9 million from the original estimate. Reflecting 2020 actual experience, current estimates decreased for both Veteran caseload (215,382 vs. 231,183) and average payment (\$13,760 vs. \$14,186) compared to the original estimate. The combined effect of these decreases reduced Veteran pension obligations by \$316.0 million in the current estimate. An increase to Survivor pension average payment (\$11,189 vs. \$10,252) combined with a decrease to Survivor caseload (154,635 vs. 161,325) based on 2020 experience, resulted in a net increase to Survivor pension obligations of \$76.3 million. Additionally, the VBA OBRA reimbursement increased by \$3.5 million, and contract exams increased \$298 thousand from the original estimate.

### **Burial**

The current 2021 burial benefits budget estimate of \$404.3 million is \$49.3 million more than the original budget estimate of \$355.0 million. Increases are associated with service-connected burial allowances (\$27.8 million), plot allowances (\$22.7 million), headstones/markers (\$4.0 million), graveliners/outer burial receptacles (OBRs, \$2.7 million), and caskets and urns (\$17



thousand). These increases are offset by decreased costs associated with burial flags (\$4.1 million) and basic burial allowances (\$3.8 million).

<b><u>Analysis of Increases and Decreases</u></b>			
<b>(dollars in thousands)</b>			
	<b>2021 Estimate</b>	<b>2022 Estimate</b>	<b>2023 Estimate</b>
Prior Year Obligations	\$111,895,109	\$123,593,106	\$138,985,081
<b>Compensation</b>			
Veterans Caseload and average payment changes (net)	+\$8,532,407	+\$10,920,679	+\$6,993,598
Survivor Caseload and average payment changes (net)	+\$1,160,613	+\$1,502,179	-\$1,068,049
P.L. 116-178 COLA 1.3%, effective 12/01/2020	+\$1,080,857	+\$226,738	-
Proposed COLA 2.3%, effective 12/01/2021	-	+\$2,032,298	+\$422,687
Proposed COLA 2.1%, effective 12/01/2022	-	-	+\$1,972,310
<b>Other Benefits</b>			
Special Benefits for Children	+\$3,448	+\$432	+\$396
Clothing Allowance	+\$3,722	+\$10,920	+\$8,521
Other (REPS, SAFD, EAJA)	+\$9,236	+\$10,035	+\$10,345
Contract Exams Pilot Program -VBA	+\$885,015	+\$606,519	+\$95,892
Contract Exams Pilot Program -IT	+\$7,755	+\$155	+\$158
Payments for VBA GOE OBRA	+\$71	+\$4,268	-
<b>Total Compensation Net Change</b>	<b>\$11,683,125</b>	<b>\$15,314,224</b>	<b>\$8,435,857</b>
<b>Pensions</b>			
Caseload and average payment changes (net)	-\$112,753	-\$30,240	+\$12,391
COLAs	+\$60,132	+\$96,562	+\$99,048
Contract Exams Pilot Program	+\$167	+\$6	+\$6
Payments for VBA GOE OBRA	+\$284	-\$2,300	-
<b>Total Pensions Net Change</b>	<b>-\$52,170</b>	<b>+\$64,029</b>	<b>+\$111,445</b>
<b>Burial</b>	<b>+\$67,042</b>	<b>+\$13,722</b>	<b>+\$37,091</b>
<b>Total Net Change</b>	<b>+\$11,697,997</b>	<b>+\$15,391,975</b>	<b>+\$8,584,393</b>
<b>Estimated Obligations</b>	<b>\$123,593,106</b>	<b>\$138,985,081</b>	<b>\$147,569,474</b>

## **Analysis of Increases and Decreases from 2022 to 2023**

### **Compensation**

In 2023, compensation obligations are estimated to surpass the 2022 level by \$8.4 billion, which is primarily due to increases in Veteran caseload and average payment. VBA anticipates that claims production levels will be above 1.7 million rating decisions through 2022 and beyond due to operational efficiencies from National Work Queue (NWQ), Veterans Claims Intake Process/Centralized Mail and technological advances in the Veterans Benefits Management System (VBMS). High claims production levels and more timely appeals decisions result in an increasing Veteran caseload, and a rising average degree of disability leads to higher average payments to Veterans in 2023. In addition, recurring obligations associated with the three new Agent Orange presumptive conditions added under section 9109 of P.L. 116-283 will continue to have an impact on workload into 2023. The combined impact of increasing Veteran caseload and average payments is an estimated increase of \$7.0 billion in obligations for 2023. The 2023 COLA

is expected to add \$2.0 billion to the cost of the program in 2023. The 2022 COLA is expected to add \$422.7 million in obligations. COLAs provide a rate increase to all disability compensation beneficiaries, including Dependency and Indemnity Compensation (DIC) spouses and children. Rates are matched with the Consumer Price Index and are tied to that afforded to Social Security beneficiaries. Changes to Survivor compensation caseload and average payment will decrease obligations by \$1.1 billion in 2023.

Under the category of other benefits, costs are projected to increase by \$115.3 million from 2022 to 2023. The estimated obligations for the contract examination reimbursements to VBA GOE increased by \$95.9 million over the prior year. The combined obligations of REPS, SAFD, and EAJA are expected to increase \$10.3 million in 2023. Estimated clothing allowance obligations increase by \$8.5 million. Special benefits for children are expected to increase by \$396 thousand, and contract examination reimbursements to IT are expected to increase by \$158 thousand, compared to 2022 levels. VBA GOE OBRA obligations are not expected to change.

### **Pensions**

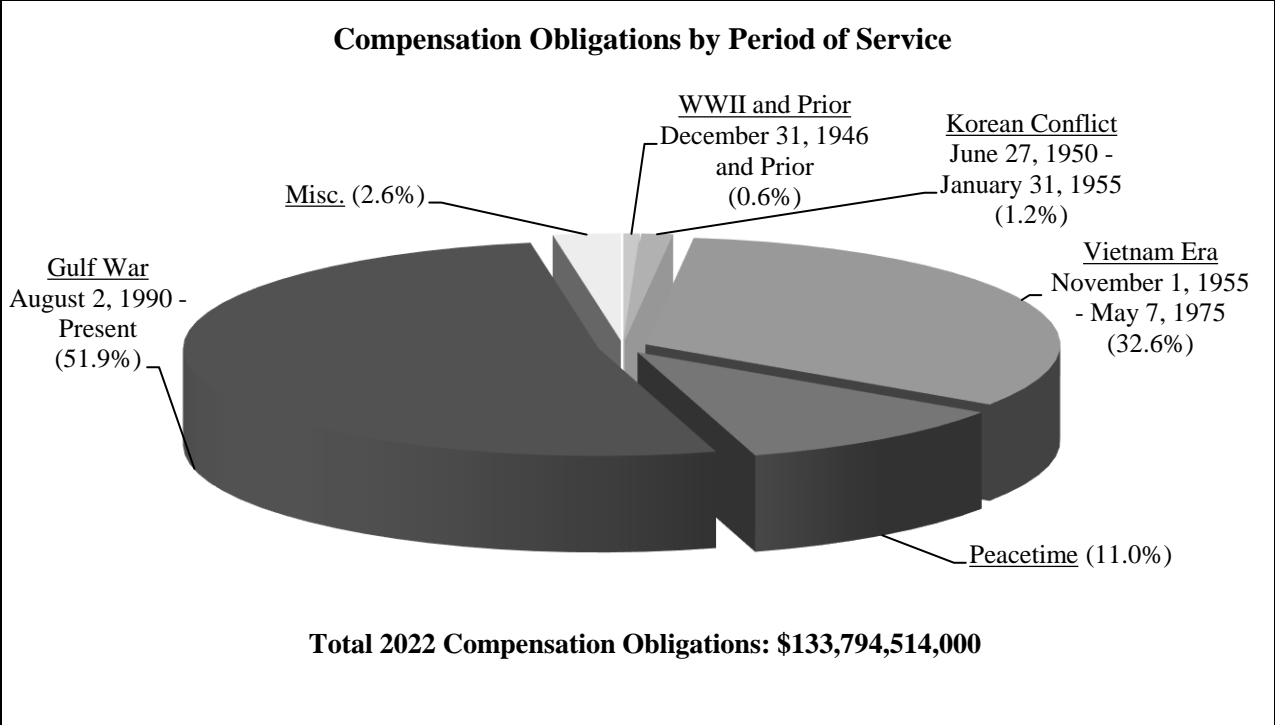
In 2023, pension obligations are expected to increase \$111.4 million from the 2022 level. The COLA is expected to add \$99.0 million to the cost of the program in 2023. Caseload is expected to decrease while average payments are expected to increase for both Veterans and Survivors in 2023. The impact of the changes to caseload and average payment results in a net increase in obligations of \$12.4 million. Contract examinations are expected to increase by \$6 thousand, and VBA GOE OBRA obligations are not expected to change.

### **Burial**

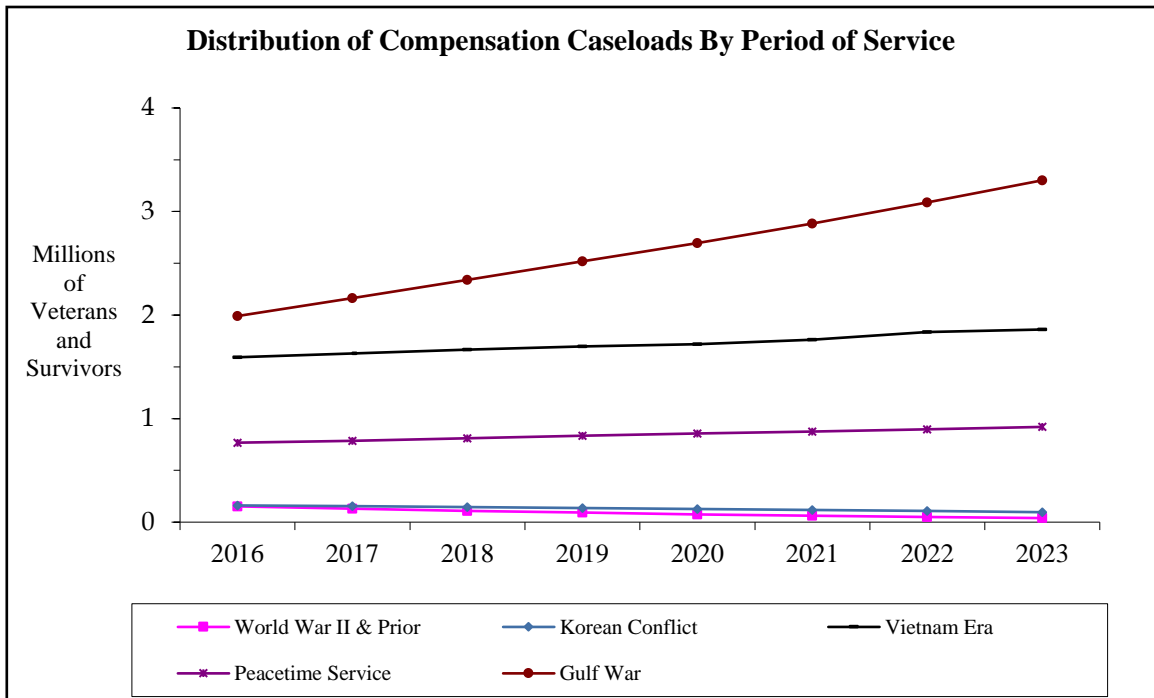
In 2023, burial benefit obligations are projected to increase overall by \$37.1 million over the 2022 level. Increases are anticipated for most burial benefits, including: basic burial allowances (\$21.4 million), service-connected burial allowance (\$10.1 million), plot allowances (\$2.7 million), graveliners/OBRs (\$1.7 million), headstones and markers (\$1.1 million), and burial flags (\$24 thousand). A slight decrease of \$38 thousand is anticipated for caskets and urns.

### **Compensation Program Highlights**

In 2022, compensation benefit obligations are expected to total \$133.8 billion with benefit payments made to 5,978,696 beneficiaries. In 2023, obligations are projected to increase to \$142.2 billion with payments to 6,216,898 beneficiaries. Approximately 97.5 percent of total compensation obligations in 2022 are direct benefit payments to Veterans and their Survivors. The Gulf War Era, which began on August 2, 1990, now spans over 30 years, compared to approximately 20 years for the Vietnam Era (November 1, 1955 – May 7, 1975). As a result, an increasing number of Gulf War Era Veterans are separating from service and accessing the compensation rolls. As shown in the graphic below, compensation benefit payments to Veterans and Survivors of Veterans from the Gulf War Era (51.9 percent of total compensation obligations in 2022) will significantly exceed benefits to Veterans and Survivors from the Vietnam Era (32.6 percent of 2022 compensation obligations). The increasing percentage of benefits paid to Gulf War Era Veterans is driven by a number of factors including VA's successful outreach efforts, improved access to benefits through joint VA and DoD pre-discharge programs, and increased demand due to the longevity of the Gulf War Era.



Benefits in the compensation program are estimated to be dispersed to 5,503,550 Veterans and 475,146 Survivors in 2022, and 5,724,030 Veterans and 492,868 Survivors in 2023. The 2022 Veteran and Survivor caseload estimate is distributed among World War II and Prior (49,527), Korean Conflict (107,584), Vietnam Era (1,835,934) Gulf War (3,087,762), and Peacetime (897,888) periods of service. Caseload for the older periods of service is steadily declining. The number of Veterans and Survivors of Veterans from the Gulf War Era who are receiving compensation benefits will continue to increase rapidly through the budget year. Changes to the compensation caseload by period of service from 2016 and projected through 2023 can be seen in the following chart.

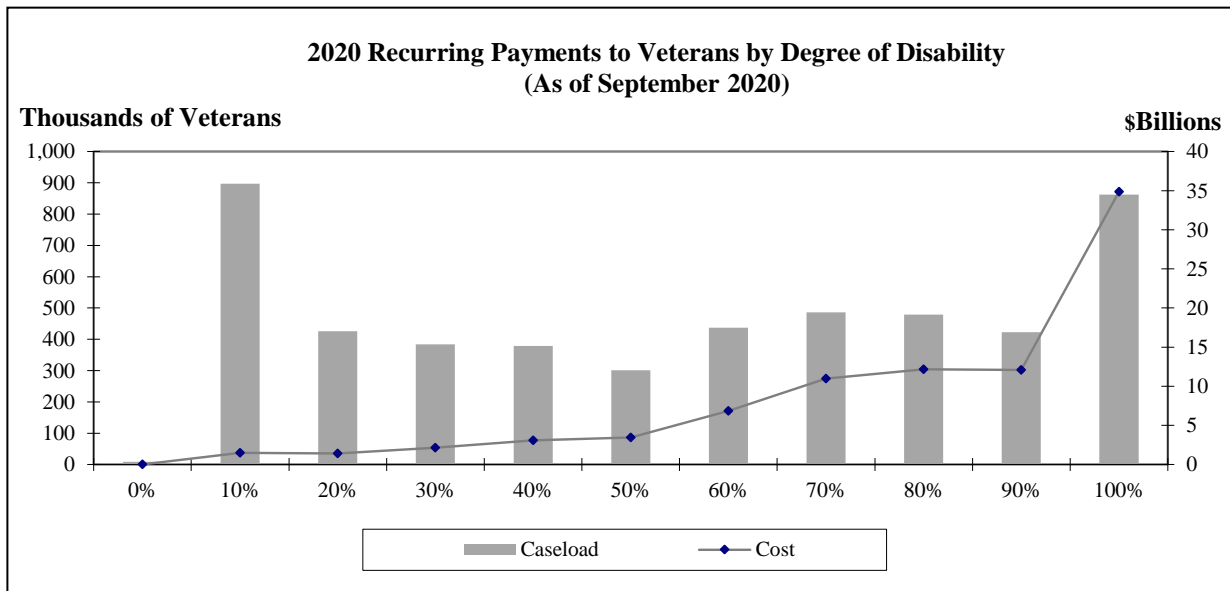


Numerous factors contribute to the total cost of the benefits the compensation program provides, including average degree of disability, additional benefits from enacted legislation or regulations, variations in the number of dependents, the number of individual unemployability (IU) cases, rising special monthly compensation cases, the number of retroactive payments, and variable numbers of accessions and terminations. Deviations in these factors alter average payments, historically increasing program obligations.

Based on historical data, the average degree of disability is forecasted to increase through 2023. The average degree of disability for Veterans increased from 54.2 percent in 2019 to 55.5 percent in 2020, which is consistent with annual increases in degree of disability since 2014. Additional regulations, legislation, the increasing number of completed claims, and the increasing number of issues per claim have contributed to rising disability ratings. The budget request considers the increasing average degree of disability in conjunction with estimated VA workload projections. Increases in average degree of disability cause significant increases in average payments.

Veteran Compensation												
Average Monthly Caseloads by Degree of Disability												
Year	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Avg. Degree
2014	10,583	808,787	444,208	390,620	356,509	254,926	339,830	331,922	288,359	199,245	428,866	47.7%
2015	10,194	822,362	442,516	393,768	364,478	268,133	362,316	361,597	322,595	233,681	480,335	48.9%
2016	9,852	840,032	442,739	396,857	373,154	279,153	383,227	390,216	356,066	266,896	531,330	50.1%
2017	9,363	851,969	437,795	394,274	376,040	286,364	398,810	414,909	386,497	303,319	596,322	51.5%
2018	8,848	866,837	433,067	390,732	377,486	292,120	413,134	438,829	418,378	341,706	671,837	52.8%
2019	8,286	883,890	427,255	385,271	376,596	295,202	423,669	460,850	446,750	380,644	763,663	54.2%
2020	7,980	888,981	421,281	380,055	375,183	298,351	432,528	481,741	474,247	419,027	854,723	55.5%

Monthly payments to Veterans vary by average degree of disability. While Veterans who are rated 10 percent disabled are the largest group of compensation recipients, they do not account for the majority of program cost. The largest compensation payments, as shown in the chart below, are paid to those with higher degrees of disability. In addition to variations of degree of disability, only Veterans at or above the 30 percent disability rating may be entitled to additional compensation for dependents, resulting in higher average payments. Additionally, payment rates are not proportional to the degree of disability.



Reopened workload projections aid in forecasting changes to a Veteran’s degree of disability rating. These claims result when Veterans file amended claims because their disabilities worsen, new evidence of service-connection becomes available, and/or new legislation or regulation allows for additional compensation. In 2020, 338,099 Veterans, or 6.7 percent of Veterans on the compensation rolls, received an increase to their disability benefits, as shown on the following chart. The average increased rating level in 2020 was to 76.9 percent. While fewer Veterans received an increase to their disability rating, the increased rating level was higher than 2019 when 349,298 Veterans (7.2 percent of Veterans on the rolls) received an increased rating and the average increased rating level was to 75.0 percent. The higher increased rating levels in 2020 compared to 2019 is consistent with recent trends, and has contributed to the increases to the overall average degree of disability.

<b>Veterans Compensation 2020 Increased Disability Rating Levels</b>											
	<b>Disability Level Increase</b>										
<b>Current</b>	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	<b>Total</b>
0%	70	58	29	37	30	28	24	15	13	61	<b>365</b>
10%	-	9,272	5,653	6,768	2,720	6,657	5,080	2,616	1,413	4,420	<b>44,599</b>
20%	-	-	6,111	5,856	2,786	4,364	2,400	3,502	1,283	2,910	<b>29,212</b>
30%	-	-	-	7,142	5,390	4,722	4,982	4,099	1,844	3,534	<b>31,713</b>
40%	-	-	-	-	6,279	9,262	7,478	6,511	3,102	4,562	<b>37,194</b>
50%	-	-	-	-	-	7,851	7,667	6,182	3,850	4,500	<b>30,050</b>
60%	-	-	-	-	-	-	13,056	13,457	7,958	8,240	<b>42,711</b>
70%	-	-	-	-	-	-	-	17,307	12,685	11,779	<b>41,771</b>
80%	-	-	-	-	-	-	-	-	26,818	16,744	<b>43,562</b>
90%	-	-	-	-	-	-	-	-	-	36,922	<b>36,922</b>
<b>Total</b>	<b>70</b>	<b>9,330</b>	<b>11,793</b>	<b>19,803</b>	<b>17,205</b>	<b>32,884</b>	<b>40,687</b>	<b>53,689</b>	<b>58,966</b>	<b>93,672</b>	<b>338,099</b>

As of September 2020, 2.6 million out of 5.1 million Veteran cases received additional compensation for dependents. The number of dependents totaled nearly 4.4 million, or 1.70 dependents per case, up slightly from the 2019 average of 1.69.

In addition to monetary benefits for dependents, Veterans who are rated 60 percent and above are eligible for individual unemployability (IU). The eligibility criteria for the IU program are as follows: at least one service connected disability rating of at least 60 percent; or two or more service connected disabilities with at least one disability ratable at 40 percent or more with a combined rating of 70 percent or more. In addition, the Veteran must be unable to maintain substantially gainful employment as a result of the service-connected disabilities. As a result, Veterans receiving IU payments receive compensation at the 100 percent disability rating even if their assigned rating is lower. Increases in the IU benefit affect the average payment, resulting in increased program costs. In September 2020, 373,205 Veterans received IU, an increase of 7,829 cases over September 2019. While IU caseload continues to increase at a gradual rate, the percentage of Veterans on the compensation rolls receiving IU compared to total Veteran caseload has been decreasing slightly, from 8.2 percent in September 2014 to 7.3 percent in September 2020.

<b>Veterans Compensation Individual Unemployability</b>							
	2014	2015	2016	2017	2018	2019	2020
Without Dependents	96,406	99,397	101,534	105,403	109,350	113,613	119,079
With Dependents	219,745	228,986	237,328	243,109	247,318	251,763	254,126
<b>Total</b>	<b>316,151</b>	<b>328,383</b>	<b>338,862</b>	<b>348,512</b>	<b>356,668</b>	<b>365,376</b>	<b>373,205</b>

Special monthly compensation (SMC) is a monetary benefit paid in addition to or in place of 0 percent to 100 percent combined degree of disability. To qualify, a Veteran must be disabled due to special circumstances (e.g., loss of use of one hand). Also, certain Veterans may be entitled to aid and attendance, which provides for needed caregiver assistance due to their disabilities. The increasing number and percentage of Veterans receiving SMC payments, partially contributes to an increasing trend in average payments.

<b>Veterans Compensation</b>							
<b>Special Monthly Compensation</b>							
	2014	2015	2016	2017	2018	2019	2020
Without Dependents	177,713	184,217	188,571	198,090	209,129	219,702	231,900
With Dependents	349,938	385,465	417,002	450,221	482,579	518,671	547,604
<b>Total</b>	<b>527,651</b>	<b>569,682</b>	<b>605,573</b>	<b>648,311</b>	<b>691,708</b>	<b>738,373</b>	<b>779,504</b>

The majority of retroactive payments are one-time payments disbursed as original or amended claims. These payments typically are paid back to the date of claim unless legislation allows for payment to begin at the date of enactment of a regulation establishing the service-connected condition. During 2020, retroactive payments were 8.2 percent of compensation payments to Veterans and Survivors, an increase of 0.6 percent from the 2019 level.

<b>Compensation</b>							
<b>Retroactive Payments</b>							
<b>(Dollars in millions)</b>							
	2014	2015	2016	2017	2018	2019	2020
Retro Payments	\$7,597	\$7,420	\$6,473	\$6,542	\$6,203	\$7,257	\$8,620
Compensation Payments	\$64,389	\$69,934	\$73,925	\$79,051	\$85,787	\$94,930	\$104,828
Percent of Retro to Total	11.8%	10.6%	8.8%	8.3%	7.2%	7.6%	8.2%

While 8.2 percent of total compensation payments were retroactive payments in 2020, the majority of compensation obligations are from monthly recurring payments. In 2020, compensation recurring payment obligations were \$96.2 billion (\$88.5 billion for Veterans and \$7.7 billion for Survivors), or 91.8 percent of the total compensation payments. The following chart shows recurring payment obligations for Veterans, as well as caseload, average age, and average payment by degree of disability.

<b>Veterans Compensation</b>				
<b>Summary by Degree of Disability</b>				
<b>(obligations in thousands)</b>				
2020				
Combined Degree of Disability	September Caseload	Average Age	Average September Payment	Recurring Payment Obligations
0%	8,055	72.4	\$102	\$9,517
10%	897,386	61.9	\$143	\$1,493,257
20%	425,264	60.0	\$286	\$1,410,022
30%	383,648	57.8	\$482	\$2,146,641
40%	378,730	56.5	\$697	\$3,064,952
50%	301,172	55.5	\$985	\$3,444,339
60%	436,617	55.5	\$1,350	\$6,849,843
70%	486,296	55.1	\$1,944	\$10,985,849
80%	478,731	53.8	\$2,184	\$12,149,146
90%	422,989	53.3	\$2,461	\$12,096,159
100%	862,804	58.5	\$3,479	\$34,860,265
<b>Veterans Compensation</b>	5,081,692	57.4	\$1,499	\$88,509,991

The compensation program estimates take into consideration the effects of accessions (new claims per year) and terminations (removal from rolls, e.g., death). The net effect (accessions minus terminations) remains high, contributing to a rapid increase in the disability compensation recurring payments, commonly referred to as beneficiaries on the rolls. The chart below shows the historical trends of accessions, terminations and the net change for Veterans. These trends have been considered in future projections.

<b>Veterans Compensation</b>							
<b>Accessions and Terminations</b>							
	2014	2015	2016	2017	2018	2019	2020
Accessions	293,869	313,047	284,549	296,715	274,525	309,089	258,635
Terminations	95,231	100,460	102,608	106,679	105,809	117,228	129,512
Net Change	198,638	212,587	181,941	190,036	168,716	191,861	129,123

The following chart shows Veteran accessions to the compensation rolls by degree of disability. The average degree of disability for Veterans accessing the rolls is 48.0 percent, which is slightly lower than the average degree of disability of 55.5 percent for all Veterans receiving compensation. Accession projections for the out-years are derived from the claims completed projections. These projections consider recently enacted legislation, regulatory changes, historical trends of applications of Veterans, as well as VA initiatives. Estimates of Veteran accessions are distributed among the disability ratings using historical trends.



<b>Veterans Compensation</b>							
<b>Accession Trends</b>							
Combined Degree of Disability	2014	2015	2016	2017	2018	2019	2020
0%	753	611	490	517	352	341	442
10%	72,757	77,772	72,638	79,841	76,104	93,818	72,117
20%	30,286	29,771	26,222	26,904	23,706	26,106	20,174
30%	29,985	30,603	27,193	26,614	22,697	24,811	19,983
40%	25,436	26,294	23,871	23,728	20,563	22,169	17,377
50%	22,726	24,518	21,712	21,561	19,191	20,845	18,172
60%	26,341	27,696	24,571	24,338	21,129	22,426	18,398
70%	25,318	27,738	24,974	25,330	23,252	25,801	23,363
80%	20,798	22,234	20,204	19,875	18,631	19,022	16,519
90%	16,208	18,438	17,247	18,683	17,982	18,788	17,465
100%	23,261	27,372	25,427	29,324	30,918	34,962	34,625
<b>Total</b>	<b>293,869</b>	<b>313,047</b>	<b>284,549</b>	<b>296,715</b>	<b>274,525</b>	<b>309,089</b>	<b>258,635</b>
<b>Avg. Degree</b>	<b>44.9%</b>	<b>45.8%</b>	<b>45.8%</b>	<b>45.8%</b>	<b>46.6%</b>	<b>45.3%</b>	<b>48.0%</b>

Based on an analysis of Veteran trends, there is a relationship between Veterans terminating from the compensation rolls and Survivors acceding to the compensation rolls. The relationship is significantly more pronounced as the Veteran's degree of disability increases. The Survivor's DIC program is available to surviving spouses who have not remarried (or those remarried after the age of 55), unmarried children under 18 years of age, helpless children, and low-income parents of deceased Veterans. The chart below shows the historical trends of accessions, terminations and the net change for Survivors. These trends have been considered in future projections.

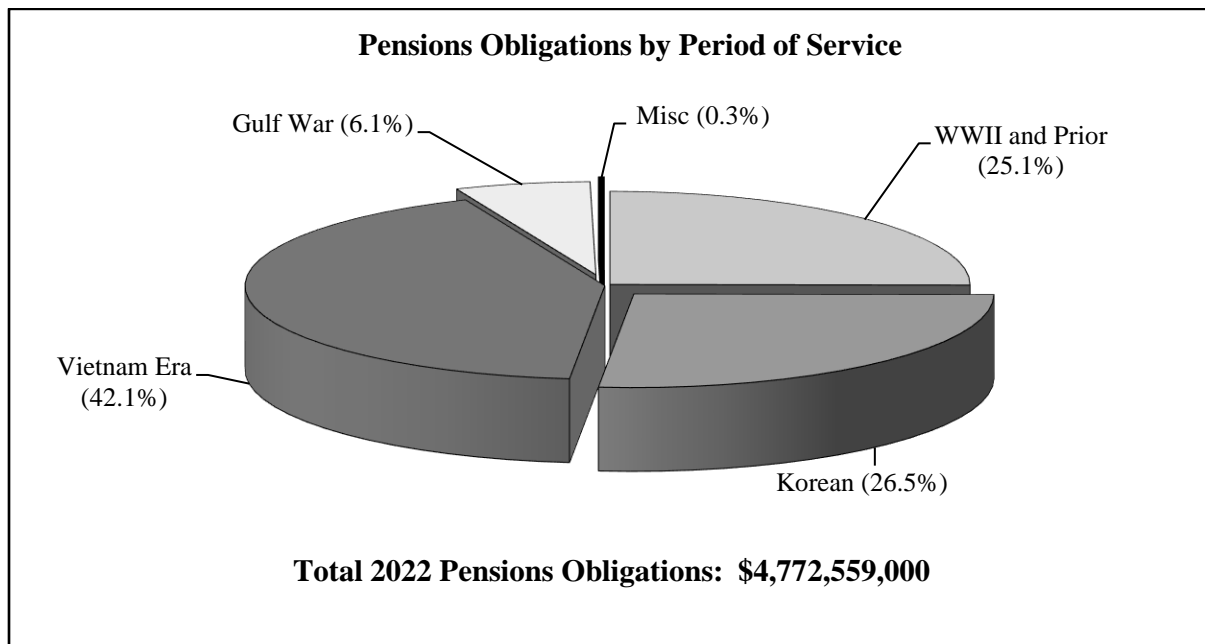
<b>Survivor Compensation</b>							
<b>Accessions and Terminations</b>							
	2014	2015	2016	2017	2018	2019	2020
Accessions	27,817	27,032	27,988	30,964	30,479	31,066	33,090
Terminations	24,812	20,844	20,723	20,643	19,057	21,592	23,102
Net Change	3,005	6,188	7,265	10,321	11,422	9,474	9,988

For surviving spouses of Veterans who were not rated totally disabled to become eligible, they must meet at least one of three requirements. The Veteran must have died from: (1) a service connected disease or injury incurred or aggravated while on active duty; (2) an injury was incurred or aggravated in the line of duty while on inactive duty training; or (3) a disability compensable by the VA. Survivors of Veterans who were rated permanently and totally disabled, but died of a non-service connected cause, may be eligible if: (1) the Veteran was continuously rated totally disabled over a period of ten years; (2) the Veteran was rated for a period of at least five years from the military discharge; or (3) the Veteran was a former prisoner of war who died after September 30, 1999, and who was rated totally disabled for a period of not less than one year immediately preceding death.

Veteran termination data has demonstrated that Survivors typically access the compensation rolls within three years. In 2020, of the 33,090 Survivor accessions, 28,205 were associated with Veteran terminations within the previous three years.

## Pensions Program Highlights

In 2022, pension obligations are expected to total \$4.8 billion with payments made to 356,827 pension beneficiaries. In 2023, obligations are projected to increase to \$4.9 billion with payments to 348,042 beneficiaries. In 2022 and 2023, Veteran caseloads from the Vietnam War and prior are expected to decrease, while Veteran caseload from the Gulf War is increasing. Survivor pension caseload follows a similar trend; Korean War and prior caseloads are expected to decrease through 2023, while Survivor caseloads from the Vietnam Era, and Gulf War are increasing. Approximately 97.9 percent of the estimated cases in 2022 will receive benefits under the Improved Law program, accounting for 99.8 percent of the program's cost. As shown in the following chart, the largest pension request comes from Vietnam Era Veterans and Survivors with 42.1 percent of program obligations in 2022. Korean War Veterans and Survivors represent the second largest group of pension recipients, accounting for 26.5 percent of obligations, and this is largely associated with Survivor benefit payments. The percentages for Vietnam Era and Gulf War Veterans will continue to increase as these populations are becoming eligible for the automatic permanent and totally disabling rating at age 65.



The OBRA provision for data matching was extended by P.L. 116-315 through September 30, 2030. The OBRA provision authorizes VA to perform data matches with the Internal Revenue Service and Social Security Administration to ensure proper payments are made to eligible beneficiaries in its needs-based programs and Veterans receiving compensation based on individual unemployability. Access to these records is the most efficient and effective means VA has of verifying certain types of income.

Currently, VA administers three pensions programs (Improved Law Pensions, Prior Law Pensions, and Old Law Pensions). New beneficiaries can only receive the Improved Law Pensions benefits under the Veterans' and Survivors' Pension Improvement Act of 1978, P.L. 95-588; the other two programs are closed. Since the Prior Law and Old Law programs have been closed since 1979

and 1960, respectively, the caseload in these programs is from earlier periods of service and will continue to decline.

<b>Pensions Summary by Law</b>												
	2020			2021			2022			2023		
	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)
<b>Total</b>												
Improved Law	383,695	\$12,348	\$4,737,933	361,408	\$12,966	\$4,685,923	349,180	\$13,611	\$4,752,805	341,239	\$14,256	\$4,864,758
Prior Law	9,676	\$865	\$8,368	8,564	\$906	\$7,757	7,603	\$946	\$7,196	6,759	\$989	\$6,682
Old Law	45	\$769	\$34	45	\$771	\$34	45	\$782	\$35	45	\$799	\$36
<b>Veterans</b>												
Improved Law	229,201	\$13,204	\$3,026,360	214,792	\$13,792	\$2,962,372	208,782	\$14,416	\$3,009,753	204,712	\$15,064	\$3,083,882
Prior Law	625	\$1,894	\$1,183	585	\$2,011	\$1,177	569	\$2,058	\$1,171	558	\$2,088	\$1,165
Old Law	5	\$984	\$4	5	\$963	\$4	5	\$979	\$4	5	\$1,003	\$5
<b>Survivors</b>												
Improved Law	154,494	\$11,079	\$1,711,572	146,616	\$11,756	\$1,723,551	140,398	\$12,415	\$1,743,052	136,527	\$13,044	\$1,780,876
Prior Law	9,051	\$794	\$7,185	7,979	\$825	\$6,580	7,034	\$857	\$6,025	6,201	\$890	\$5,518
Old Law	40	\$745	\$30	40	\$750	\$30	40	\$760	\$30	40	\$776	\$31

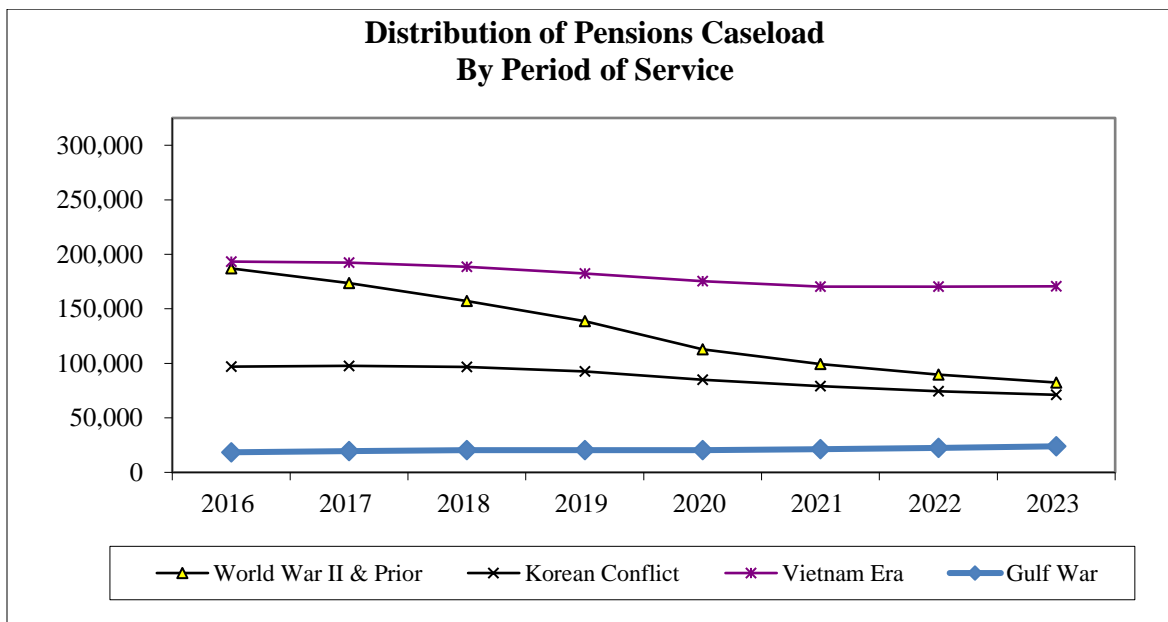
A major factor of the cost of the pensions program is the impact of the automatic cost-of-living adjustment. The COLA for Improved Law beneficiaries, which is automatically tied to that afforded to Social Security beneficiaries, is estimated to be 2.3 percent in 2022. Since rates for pensioners covered by earlier programs are fixed, variations in average benefit payments for these beneficiaries are attributed to changes in dependency, qualifying income, health, or other eligibility criteria.

<b>Pensions Improved Law Income Limitations (As of December 2020)</b>			
<b>Veterans</b>		<b>Survivors</b>	
Without dependents	\$13,931	Spouses without dependents	\$9,344
With one dependent	\$18,243	Spouses with one dependent	\$12,229
Each additional dependent	\$2,382	Each additional dependent	\$2,382

The amount of Improved Law Pensions payable is reduced for each dollar of countable family income by the annual income limitations. These limitations can affect the average pension payment, which in turn, impacts the majority of total cost of the pensions program.

Total pension caseload is expected to decrease in 2022 (356,827 vs. 370,017) and 2023 (348,042). Vietnam and WWII and prior beneficiaries account for the largest pension caseloads with 170,296 and 89,587 beneficiaries, respectively, in 2022. Beneficiaries associated with these periods of service account for 72.8 percent of all pension beneficiaries. Of the 89,587 WWII and prior beneficiaries, only 14,041 are Veterans, with the remaining caseload being Survivors. The opposite is true of the Vietnam Era with 142,724 of the total 170,296 recipients being Veterans.

Caseloads for the earlier periods of service are declining; however, the caseload from the ongoing Gulf War is expected to continue its gradual increasing trend. Nearly all Vietnam Era Veterans have turned 65, allowing for an automatic permanent and totally disabling rating under current law. The number of Veterans of the Gulf War is also increasing but has not yet reached the level of other periods of service.



As of September 30, 2020, 35.3 percent of Veterans who received a pension were over age 75. The percentage of Survivors receiving pension over the age of 75 is 75.6 percent. VA continues to experience growth in the number of Gulf War claims. These trends are expected to continue through 2022. As more Veterans from recent periods of service continue to access the rolls, the average age of pension recipients is expected to decrease.

<b>Pensions</b>								
<b>Age of Pensions Recipients</b>								
<b>(As of September 2020)</b>								
Age	Veterans Improved Law	Veterans Prior Law	Veterans Old Law	<b>Total Veterans</b>	Survivors Improved Law	Survivors Prior Law	Survivors Old Law	<b>Total Survivors</b>
Under 25	5	-	-	<b>5</b>	271	3	-	<b>274</b>
25 – 35	663	-	-	<b>663</b>	196	2	-	<b>198</b>
36 - 45	3,085	-	-	<b>3,085</b>	656	5	-	<b>661</b>
46 – 55	9,437	-	-	<b>9,437</b>	3,491	326	-	<b>3,817</b>
56 -65	27,668	10	-	<b>27,678</b>	14,058	1,944	2	<b>16,004</b>
66 – 75	101,082	156	-	<b>101,238</b>	15,263	2,374	5	<b>17,642</b>
Over 75	77,074	396	4	<b>77,474</b>	116,257	3,932	30	<b>120,219</b>
Unknown	8	-	-	<b>8</b>	261	10	-	<b>271</b>
<b>Total</b>	<b>219,022</b>	<b>562</b>	<b>4</b>	<b>219,588</b>	<b>150,453</b>	<b>8,596</b>	<b>37</b>	<b>159,086</b>

The pensions program forecast considers the effects of accessions (new beneficiaries per year) and terminations (removal from rolls due to factors such as death, increased income, etc.). Deviations in accessions and terminations cause the caseload to fluctuate.

<b>Veteran Pensions</b>							
<b>Accessions and Terminations</b>							
	2014	2015	2016	2017	2018	2019	2020
Accessions	46,378	39,362	39,484	34,662	32,419	22,755	22,303
Terminations	50,753	49,618	44,417	45,965	40,354	39,254	39,456
Net Change	-4,375	-10,256	-4,933	-11,303	-7,935	-16,499	-17,153

Although caseloads in Prior Law and Old Law are decreasing, they still have an impact on the total cost of the program. Evaluating the trends in dependency is also considered in the budget forecast as it affects average payment. For each program category, pensioners with dependents receive additional benefits.

## Pensions Program Trends

(As of September 2020)

### “Old Law” Pensions Cases (closed program)

“Old Law” refers to the pensions program in existence prior to July 1, 1960, in which the benefit rate is fixed for all eligible, regardless of specific countable income.

Veterans					Survivors				
Year	Number	%	Veterans Alone	Veterans w/ Dependents	Number	%	Spouses Alone	Spouses w/ Dependents	Children Alone
2014	24	<0.1	13	11	95	<0.1	34	-	61
2015	20	<0.1	11	9	88	<0.1	30	-	58
2016	14	<0.1	8	6	78	<0.1	24	-	54
2017	9	<0.1	5	4	68	<0.1	18	-	50
2018	7	<0.1	3	4	52	<0.1	10	-	42
2019	6	<0.1	3	3	44	<0.1	7	-	37
2020	4	<0.1	2	2	37	<0.1	6	-	31

### “Prior Law” Pensions Cases (closed program)

“Prior Law” refers to the pensions program in existence between July 1, 1960 and January 1, 1979. Benefit rates were established by formula, and reduced for each dollar of countable income.

Veterans					Survivors				
Year	Number	%	Veterans Alone	Veterans w/ Dependents	Number	%	Spouses Alone	Spouses w/ Dependents	Children Alone
2014	2,025	0.7	983	1,042	16,273	7.7	8,414	546	7,313
2015	1,650	0.6	859	791	14,686	7.1	7,265	443	4,978
2016	1,319	0.5	668	651	13,211	6.5	6,900	373	5,938
2017	1,052	0.4	526	526	11,932	5.9	6,303	362	5,267
2018	855	0.3	431	424	10,767	5.6	5,967	306	4,494
2019	698	0.3	359	339	9,601	5.7	3,788	257	5,556
2020	562	0.3	304	258	8,596	5.4	3,182	209	5,205

### “Improved Law” Pensions Cases

“Improved Law” refers to the pensions program in existence since January 1, 1979. Payments for the Improved Law program beneficiaries are computed by reducing dollar-for-dollar, the benefit levels specified under P.L. 95-588 by the income of the beneficiary.

Veterans					Survivors				
Year	Number	%	Veteran Alone	Veterans w/ Dependents	Number	%	Spouse Alone	Spouse w/ Children	Children Alone
2014	302,530	99.3	236,246	66,284	195,397	92.3	190,434	1,405	3,558
2015	293,415	99.4	230,729	62,686	191,622	92.9	186,998	1,281	3,343
2016	287,382	99.5	227,458	59,924	189,697	93.5	185,328	1,177	3,192
2017	275,513	99.6	219,054	56,459	189,435	94.0	185,390	1,139	2,906
2018	259,229	99.7	207,496	51,733	182,005	94.4	178,358	1,078	2,569
2019	238,414	99.7	192,103	46,311	160,394	94.3	157,018	984	2,392
2020	219,022	99.7	179,203	39,819	150,453	94.6	147,381	894	2,178

**Compensation and Pensions**  
**Summary of Obligations**  
(bbligations in thousands)

	2020			2021		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
<b>Compensation Total <sup>1/</sup></b>	<b>5,473,639</b>	<b>\$19,151</b>	<b>\$104,828,090</b>	<b>5,701,085</b>	<b>\$20,277</b>	<b>\$115,601,967</b>
<b>Veterans Compensation</b>	<b>5,034,096</b>	<b>\$19,294</b>	<b>\$97,130,137</b>	<b>5,245,629</b>	<b>\$20,403</b>	<b>\$107,027,566</b>
World War II	37,031	\$14,455	\$535,282	28,367	\$14,470	\$410,488
Korean Conflict	96,828	\$13,615	\$1,318,303	88,829	\$13,608	\$1,208,813
Vietnam Era	1,430,862	\$21,478	\$30,732,645	1,452,789	\$22,445	\$32,607,708
Peacetime Service	813,698	\$14,515	\$11,810,736	833,447	\$15,354	\$12,797,017
Gulf War	2,655,677	\$19,857	\$52,733,170	2,842,197	\$21,112	\$60,003,540
<b>Survivors Compensation</b>	<b>439,543</b>	<b>\$17,514</b>	<b>\$7,697,953</b>	<b>455,456</b>	<b>\$18,826</b>	<b>\$8,574,401</b>
World War I & Prior	133	\$11,989	\$1,594	102	\$11,729	\$1,201
World War II	38,177	\$17,214	\$657,170	33,111	\$17,931	\$593,709
Korean Conflict	30,769	\$17,880	\$550,138	29,401	\$18,378	\$540,342
Vietnam Era	288,799	\$17,714	\$5,115,815	307,676	\$19,410	\$5,972,098
Peacetime Service	42,137	\$17,340	\$730,673	43,016	\$17,834	\$767,151
Gulf War	39,528	\$16,256	\$642,564	42,150	\$16,605	\$699,901
<b>Other Compensation</b>			<b>\$1,969,075</b>			<b>\$2,878,323</b>
Spec. Ben. For Children	1,128	\$18,919	\$21,341	1,288	\$19,246	\$24,789
Clothing Allowance	148,260	\$829	\$122,854	153,465	\$825	\$126,577
Other (REPS, SAJD, EAJA)	6,884	\$5,633	\$38,776	8,412	\$5,708	\$48,012
OBRA Payment to VBA	-	-	\$3,558	-	-	\$3,629
Contract Exams - GOE	-	-	\$1,782,545	-	-	\$2,667,560
Contract Exams - IT	-	-	-	-	-	\$7,755
<b>Pensions Total <sup>1/</sup></b>	<b>393,415</b>	<b>\$12,064</b>	<b>\$4,746,335</b>	<b>370,017</b>	<b>\$12,685</b>	<b>\$4,693,714</b>
<b>Veterans Pensions</b>	<b>229,830</b>	<b>\$13,173</b>	<b>\$3,027,548</b>	<b>215,382</b>	<b>\$13,760</b>	<b>\$2,963,553</b>
World War II	22,923	\$19,796	\$453,773	17,488	\$22,073	\$385,998
Korean Conflict	40,864	\$17,134	\$700,162	36,491	\$18,790	\$685,676
Vietnam Era	148,162	\$11,084	\$1,642,243	143,165	\$11,539	\$1,651,991
Gulf War	17,881	\$12,940	\$231,371	18,239	\$13,152	\$239,888
<b>Survivors Pensions</b>	<b>163,585</b>	<b>\$10,507</b>	<b>\$1,718,788</b>	<b>154,635</b>	<b>\$11,189</b>	<b>\$1,730,161</b>
World War I & Prior	1,597	\$3,121	\$4,985	1,383	\$3,206	\$4,432
World War II	88,148	\$10,776	\$949,875	80,562	\$11,188	\$901,359
Korean Conflict	44,040	\$11,126	\$489,981	42,552	\$12,546	\$533,874
Vietnam Era	27,170	\$9,130	\$248,075	27,271	\$9,609	\$262,052
Gulf War	2,630	\$9,837	\$25,871	2,868	\$9,917	\$28,443
<b>Other Pensions</b>			<b>\$14,365</b>			<b>\$14,816</b>
OBRA Payment to VBA	-	-	\$14,233	-	-	\$14,518
Contract Exams Pilot Program	-	-	\$131	-	-	\$298

<sup>1/</sup> Does not include "other" caseload or obligations.



**Compensation and Pensions**  
**Summary of Obligations**  
(obligations in thousands)

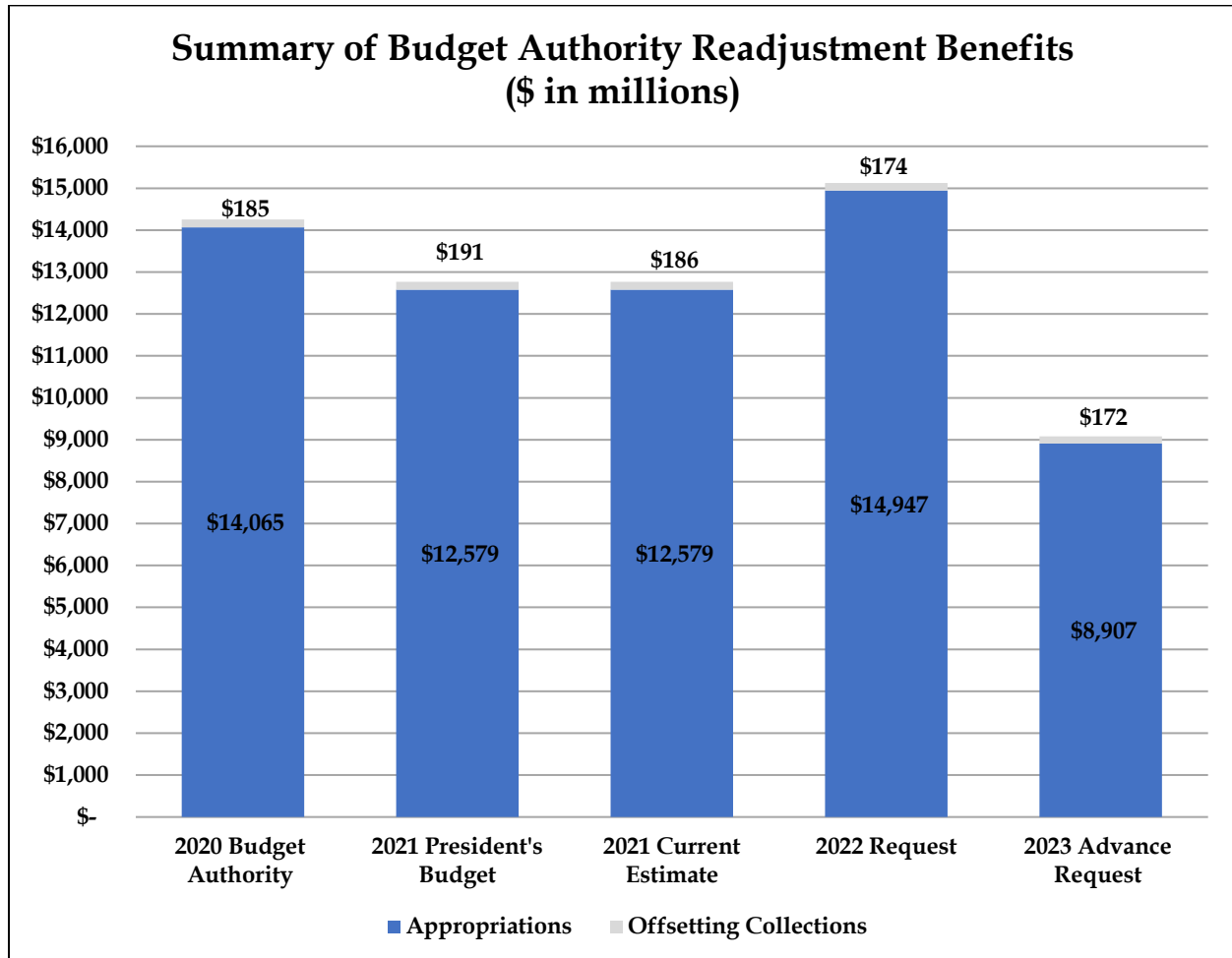
	2022			2023		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
<b>Compensation Total <sup>1/</sup></b>	<b>5,978,696</b>	<b>\$21,791</b>	<b>\$130,283,861</b>	<b>6,216,898</b>	<b>\$22,295</b>	<b>\$138,604,407</b>
<b>Veterans Compensation</b>	<b>5,503,550</b>	<b>\$21,807</b>	<b>\$120,016,285</b>	<b>5,724,030</b>	<b>\$22,568</b>	<b>\$129,177,810</b>
World War II	20,731	\$15,185	\$314,788	14,150	\$15,647	\$221,399
Korean Conflict	79,490	\$13,944	\$1,108,415	69,133	\$14,412	\$996,357
Vietnam Era	1,507,836	\$23,873	\$35,997,173	1,514,969	\$22,582	\$34,210,371
Peacetime Service	853,676	\$16,242	\$13,865,660	874,395	\$17,182	\$15,023,542
Gulf War	3,041,817	\$22,595	\$68,730,249	3,251,382	\$24,213	\$78,726,141
<b>Survivors Compensation</b>	<b>475,146</b>	<b>\$21,609</b>	<b>\$10,267,576</b>	<b>492,868</b>	<b>\$19,126</b>	<b>\$9,426,597</b>
World War I & Prior	79	\$11,509	\$913	62	\$11,335	\$701
World War II	28,717	\$18,678	\$536,375	24,906	\$19,456	\$484,579
Korean Conflict	28,094	\$18,891	\$530,720	26,846	\$19,417	\$521,269
Vietnam Era	328,098	\$23,230	\$7,621,762	345,529	\$19,457	\$6,722,875
Peacetime Service	44,212	\$18,444	\$815,450	45,442	\$19,075	\$866,790
Gulf War	45,945	\$16,593	\$762,355	50,082	\$16,580	\$830,383
<b>Other Compensation</b>			<b>\$3,510,652</b>			<b>\$3,625,964</b>
Spec. Ben. For Children	1,281	\$19,689	\$25,222	1,274	\$20,108	\$25,617
Clothing Allowance	160,118	\$859	\$137,497	166,543	\$877	\$146,017
Other (REPS, SAJD, EAJA)	9,941	\$5,839	\$58,047	11,470	\$5,963	\$68,392
OBRA Payment to VBA	-	-	\$7,897	-	-	\$7,897
Contract Exams - GOE			\$3,274,079			\$3,369,971
Contract Exams - IT	-	-	\$7,910	-	-	\$7,897
<b>Pensions Total <sup>1/</sup></b>	<b>356,827</b>	<b>\$13,340</b>	<b>\$4,760,036</b>	<b>348,042</b>	<b>\$13,997</b>	<b>\$4,871,476</b>
<b>Veterans Pensions</b>	<b>209,355</b>	<b>\$14,382</b>	<b>\$3,010,928</b>	<b>205,275</b>	<b>\$15,029</b>	<b>\$3,085,051</b>
World War II	14,041	\$24,097	\$338,346	11,896	\$25,520	\$303,577
Korean Conflict	33,285	\$20,474	\$681,491	30,661	\$22,189	\$680,330
Vietnam Era	142,724	\$12,138	\$1,732,374	142,285	\$12,792	\$1,820,117
Gulf War	19,305	\$13,402	\$258,718	20,433	\$13,754	\$281,026
<b>Survivors Pensions</b>	<b>147,472</b>	<b>\$11,861</b>	<b>\$1,749,108</b>	<b>142,768</b>	<b>\$12,513</b>	<b>\$1,786,425</b>
World War I & Prior	1,197	\$3,296	\$3,944	1,036	\$3,392	\$3,514
World War II	74,349	\$11,505	\$855,377	69,450	\$11,768	\$817,310
Korean Conflict	41,227	\$14,110	\$581,699	40,444	\$15,745	\$636,809
Vietnam Era	27,572	\$10,040	\$276,816	28,376	\$10,340	\$293,413
Gulf War	3,128	\$9,998	\$31,271	3,461	\$10,222	\$35,379
<b>Other Pensions</b>			<b>\$12,522</b>			<b>\$12,529</b>
OBRA Payment to VBA	-	-	\$12,218	-	-	\$12,218
Contract Exams Pilot Program	-	-	\$305	-	-	\$311

<sup>1/</sup> Does not include "other" caseload or obligations.

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## Readjustment Benefits



Note: Unobligated balances from prior years are not included in totals.

### Appropriation Language

For the payment of readjustment and rehabilitation benefits to or on behalf of Veterans as authorized by chapters 21, 30, 31, 33, 34, 35, 36, 39, 41, 51, 53, 55, and 61 of title 38, United States Code, \$8,906,851,000 shall become available on October 1, 2022 and shall remain available until expended: provided that expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under subsection (a) of section 3104 of title 38, United States Code, other than under paragraphs (1), (2), (5), and (11) of that subsection, shall be charged to this account.

**Summary of Appropriation Highlights**  
(dollars in thousands)

	2021					2021 to 2022	2022 to 2023
	2020 Actual	Budget Estimate	Current Estimate	2022 Estimate	2023 Estimate	Increase (+) Decrease (-)	Increase (+) Decrease (-)
<b>Obligations:</b>							
<i>Education:</i>							
Post 9-11 GI Bill (33)	\$10,108,335	\$11,760,672	\$9,688,949	\$9,672,178	\$10,171,383	-\$16,771	\$499,205
Dependents' Education and Training (35)	1,042,921	\$1,177,324	1,258,269	1,300,429	1,379,964	42,159	79,535
Veterans/Service Members (30) <sup>1/</sup>	205,470	\$164,554	203,456	185,660	179,887	-17,796	-5,773
Reservists (1606)	107,077	\$104,535	108,322	101,169	99,081	-7,154	-2,087
Reservists (1607) <sup>2/</sup>	4,520	-	2,300	-	-	-2,300	-
VET TEC Program	26,544	\$15,000	47,079	45,000	45,000	-2,079	-
Work-Study <sup>3/</sup>	33,915	\$42,548	60,018	39,271	41,190	-20,748	1,919
Tuition Assistance	3,252	\$3,811	3,366	3,447	3,554	81	107
Licensing & Certification	1,706	\$2,144	1,987	3,527	3,577	1,540	50
National Exams <sup>4/</sup>	68	\$114	59	50	44	-8	-7
<i>Subtotal:</i>	<i>11,533,809</i>	<i>13,270,701</i>	<i>11,373,805</i>	<i>11,350,731</i>	<i>11,923,679</i>	<i>-23,074</i>	<i>572,948</i>
<i>VR&amp;E (31):</i>							
VR&E Subsistence Allowance	613,663	727,335	801,552	812,581	862,029	11,028	49,448
VR&E Books, Tuition, Supplies, Fees	838,913	814,667	982,226	999,839	1,056,674	17,613	56,836
VR&E Work-Study	10,973	11,990	19,050	12,304	12,956	-6,746	652
<i>Subtotal:</i>	<i>1,463,550</i>	<i>1,553,993</i>	<i>1,802,828</i>	<i>1,824,723</i>	<i>1,931,659</i>	<i>21,896</i>	<i>106,936</i>
<i>Special Assistance:</i>							
Specially Adapted Housing Grants	125,982	149,043	182,076	188,396	194,615	6,320	6,219
Automobile Grants	30,420	42,314	31,041	31,674	32,320	633	646
Adaptive Equipment	97,484	106,413	116,573	139,399	166,695	22,826	27,296
<i>Subtotal:</i>	<i>253,887</i>	<i>297,770</i>	<i>329,689</i>	<i>359,469</i>	<i>393,631</i>	<i>29,780</i>	<i>34,162</i>
<i>Indirect Benefits:</i>							
Chapter 36	1,348	6,000	6,000	6,000	6,000	-	-
State Approving Agencies (SAA)	24,007	24,599	24,335	24,894	25,417	560	523
Reporting Fees	14,038	16,166	14,673	14,999	15,281	326	282
Specially Adapted Housing Tech Grants	799	-	1,201	1,000	-	-201	-1,000
Reimbursement to GOE	97	638	613	613	613	-	-
<i>Subtotal:</i>	<i>40,290</i>	<i>47,403</i>	<i>46,822</i>	<i>47,507</i>	<i>47,312</i>	<i>685</i>	<i>-195</i>
<b>Total Obligations</b>	<b>\$13,291,536</b>	<b>\$15,169,867</b>	<b>\$13,553,146</b>	<b>\$13,582,431</b>	<b>\$14,296,281</b>	<b>\$29,285</b>	<b>\$713,850</b>
<b>Funding:</b>							
<b>Advance Appropriation</b>	<b>\$14,065,282</b>	<b>\$12,578,965</b>	<b>\$12,578,965</b>	<b>\$14,946,618</b>	<b>\$8,906,851</b>	<b>\$2,367,653</b>	<b>-\$6,039,767</b>
Offsetting Collections	-185,388	-191,154	-185,870	-174,250	-171,900	11,619	2,350
Unobligated balance (SOY)	-3,413,858	-2,907,126	-4,467,404	-3,679,093	-5,217,530	788,311	-1,538,437
Prior Year Recoveries	-94,412	-	-	-	-	-	-
Unobligated balance (EOY)	4,467,404	507,379	3,679,093	5,217,530	-	1,538,437	-5,217,530
Outlays (Net)	\$12,923,645	\$14,793,897	\$13,202,344	\$14,100,664	\$13,984,275	\$898,321	-\$116,389

Note: Dollars may not add due to rounding in this and subsequent charts.

1/ Includes obligations for equitable relief authorized by the Secretary for the Veterans Retraining Assistance Program

2/ 1607 includes obligations for ongoing equitable relief.

3/ Includes chapter 1606 work-study reimbursement from DoD

4/ National Exams includes chapters 30, 33, and 35

Summary of Appropriation Highlights (cont'd)							
(total dollars in thousands)							
	2021					2021 to 2022	2022 to 2023
	2020 Actual	Budget Estimate	Current Estimate	2022 Estimate	2023 Estimate	Increase (+) Decrease (-)	Increase (+) Decrease (-)
Workload Data and Other Items							
<b>Workload:</b>							
Post 9-11 GI Bill (33)	657,927	724,610	613,877	624,686	631,990	+10,809	+7,304
Dependents' Education and Training (35)	151,825	167,516	177,302	186,396	195,959	+9,094	+9,563
Veterans/Service Members (30)	23,712	15,687	22,960	21,615	20,375	-1,345	-1,240
Reservists (1606) <sup>1/</sup>	41,488	41,431	39,854	38,278	36,762	-1,576	-1,516
Reservists (1607)	84	-	-	-	-	+0	-
VR&E Receiving Subsistence Allowance	86,193	91,964	92,741	94,380	96,190	+1,639	+1,810
VR&E Not Receiving Subsistence Allowance	9,472	10,619	10,170	10,365	10,564	+195	+199
VR&E Evaluation, Planning and Service <sup>2/</sup>	27,825	28,751	29,877	30,449	31,033	+572	+584
Specially Adapted Housing Grants	2,796	3,127	3,610	3,671	3,708	+60	+37
Specially Adapted Housing Technology Grants	4	-	6	5	-	-1	-5
Automobile Grants	1,534	1,969	1,534	1,534	1,534	-	-
Adaptive Equipment	4,268	7,039	4,268	4,268	4,268	-	-
Chapter 36	3,260	2,719	3,293	3,457	3,630	164	173
<b>Average cost: (Whole \$)</b>							
Post 9-11 GI Bill (33)	\$15,364	\$16,230	\$15,783	\$15,483	\$16,094	-\$300	+\$611
Dependents' Education and Training (35)	\$6,869	\$7,028	\$7,097	\$6,977	\$7,042	-\$120	+\$65
Veterans/Service Members (30)	\$8,656	\$10,490	\$8,862	\$8,589	\$8,829	-\$272	+\$239
Reservists (1606)	\$2,581	\$2,523	\$2,718	\$2,643	\$2,695	-\$75	+\$52
Reservists (1607)	\$53,805	-	-	-	-	-	+\$0
VR&E Subsistence Allowance	\$7,120	\$7,909	\$8,643	\$8,610	\$8,962	-\$33	+\$352
VR&E Books, Tuition, Supplies, Fees, etc.	\$8,769	\$7,942	\$9,544	\$9,545	\$9,898	+\$1	+\$353
Specially Adapted Housing Grants	\$45,058	\$47,662	\$50,431	\$51,326	\$52,490	+\$895	+\$1,164
Specially Adapted Housing Technology Grants	\$199,716	\$0	\$200,000	\$200,000	-	-	-\$200,000
Automobile Grants	\$19,831	\$21,490	\$20,235	\$20,648	\$21,069	+\$413	+\$421
Adaptive Equipment	\$22,841	\$15,118	\$27,313	\$32,661	\$39,057	+\$5,348	+\$6,396
Chapter 36	\$414	\$2,207	\$1,822	\$1,735	\$1,653	-\$87	-\$82
<b>Total Cost:</b>							
Post 9-11 GI Bill (33)	\$10,108,335	\$11,760,672	\$9,688,949	\$9,672,178	\$10,171,383	-\$16,771	+\$499,205
Dependents' Education and Training (35)	\$1,042,921	\$1,177,324	\$1,258,269	\$1,300,429	\$1,379,964	+\$42,159	+\$79,535
Veterans/Service Members (30)	\$205,248	\$164,554	\$203,456	\$185,660	\$179,887	-\$17,796	-\$5,773
Reservists (1606) <sup>1/</sup>	\$107,077	\$104,535	\$108,322	\$101,169	\$99,081	-\$7,154	-\$2,087
Reservists (1607)	\$4,520	-	\$2,300	-	-	-\$2,300	-
VR&E Subsistence Allowance	\$613,663	\$727,335	\$801,552	\$812,581	\$862,029	+\$11,028	+\$49,448
VR&E Books, Tuition, Supplies, Fees, etc.	\$838,913	\$814,667	\$982,226	\$999,839	\$1,056,674	+\$17,613	+\$56,836
Specially Adapted Housing Grants	\$125,982	\$149,043	\$182,076	\$188,396	\$194,615	+\$6,320	+\$6,219
Specially Adapted Housing Technology Grants	\$799	-	\$1,201	\$1,000	-	-\$201	-1,000
Automobile Grants	\$30,420	\$42,314	\$31,041	\$31,674	\$32,320	+\$633	+\$646
Adaptive Equipment	\$97,484	\$106,413	\$116,573	\$139,399	\$166,695	+\$22,826	+\$27,296
Chapter 36	\$1,348	\$6,000	\$6,000	\$6,000	\$6,000	-	-

1/ Work-study cost not included

2/ No monetary benefit payment associated with these cases

## **Summary of Budget Request**

In 2022, the enacted appropriation of \$14.9 billion, when combined with \$174.3 million in offsetting collections from the Department of Defense (DoD), and an estimated unobligated balance of \$3.7 billion carried over from 2021, will provide sufficient funding for Readjustment Benefits obligations. Obligations are estimated to be \$13.6 billion in 2022, resulting in an end of year unobligated balance of \$5.2 billion going into 2023. This will primarily fund education benefits, including the Post 9-11 GI Bill (chapter 33) and will also pay for subsistence allowance and the cost of books, supplies, tuition, and fees under the Veteran Readiness and Employment (VR&E) program, which was formerly known as the Vocational Rehabilitation and Employment program.

Included in the 2022 budget submission is the advance appropriation request of \$8.9 billion for 2023. In conjunction with \$171.9 million in anticipated offsetting collections from DoD and an unobligated balance of \$5.2 billion from 2022, total budgetary resources will fund an estimated \$14.3 billion in Readjustment Benefits obligations in 2023. VA will have an opportunity to request additional mandatory resources, if necessary, during the 2023 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will be able to reduce its 2023 advance appropriation request should the 2022 estimate prove too high.

This budget request supports changes to education and VR&E benefits due to the coronavirus pandemic. P.L. 116-140, the Student Veteran Coronavirus Response Act of 2020, provided continuation of benefits that would have otherwise ceased due to school closings or movement towards a virtual educational environment. In addition, VA adjusted its debt policies due to the coronavirus pandemic, stopping collections and either suspending or extending repayment plans for many beneficiaries. Also included in this request are changes due to P.L. 116-154, the Ryan Kules and Paul Benne Specially Adaptive Housing Improvements Act of 2019. This legislation expanded housing adaptation grants and increased the amount payable under these grants. Additionally, this public law made changes to the way VA may fund work-study programs.

Lastly, the 2022 budget submission incorporates changes made by P.L. 116-315, the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020. This law expanded eligibility for the Edith Nourse Rogers STEM Scholarship and the Fry Scholarship. Other changes to education programs include phasing out the Montgomery GI Bill, expanding eligibility for dependents to whom Post-9/11-GI Bill benefits can be transferred, and expanding provisions established in P.L. 116-140 to provide protections to students negatively impacted by the coronavirus pandemic. P.L. 116-315 also allowed for the restoration of entitlement to Veterans receiving benefits under the VR&E program who were affected by a school closure and eliminated the 12-year delimiting date Veterans have to utilize VR&E entitlement.

## **Changes from Original 2021 Budget Estimate**

Current estimated obligations of \$13.6 billion for the Readjustment Benefits account in 2021 decreased \$1.6 billion from the original budget estimate of \$15.2 billion. The estimated unobligated balance carried over from 2020 increased by \$1.6 billion to \$4.5 billion, contributing to an increase in the estimated unobligated balance of \$3.7 billion into 2022.

## **Education Programs**

Changes in estimated obligations for 2021 are primarily based on 2020 actual experience. A decrease of 110,733 chapter 33 trainees and a decrease in the average payment by \$447 result in a decrease of \$2.1 billion to chapter 33 obligations. An increase of 9,785 trainees under chapter 35 and an increase of \$69 in the average payment results in a net increase of \$80.9 million in chapter 35 obligations. Chapter 30 caseload increases by 7,272, and the average payment decreases by \$1,628, resulting in a net increase of \$38.9 million in chapter 30 obligations. Chapter 1606 obligations increase by \$3.8 million due to a \$195 increase in the average payment, offset slightly by a decrease of 1,577 trainees.

## **VR&E Program**

The average payment for books, tuition, supplies, and fees increase by \$1,603, and the average payment for subsistence allowance increases by \$734. Individuals receiving a subsistence allowance increases by 777, and those receiving benefit payments for books, tuition, supplies, and fees decreases by 449. This results in an overall increase of \$241.8 million in VR&E obligations.

## **Special Assistance**

Obligations for specially adaptive housing grants increase by \$33 million, while automobile grants decrease by \$11.3 million. Obligations for adaptive equipment grants increase by \$10.2 million.

## **Indirect Benefits**

Obligations for reporting fees decrease by \$1.5 million, and obligations for specially adaptive housing technology grants increase by \$1.2 million. State Approving Agency obligations decrease by \$264 thousand, and reimbursements to VBA's General Operating Expenses (GOE) account decrease by \$25 thousand.

## **Descriptions of Individual Programs**

### **Post 9-11 GI Bill (Chapter 33)**

Chapter 33 was enacted in the Post-9/11 Veterans Educational Assistance Act of 2008 (P.L. 110-252) and greatly expanded education benefits on August 1, 2009. The Veterans Educational Assistance Improvement Act of 2010 (P.L. 111-377), signed into law on January 4, 2011, amended the Post 9-11 GI Bill by expanding eligibility for certain individuals, and modifying the amount of assistance and the types of approved programs. The Choice Act, P.L. 113-146, extended the Fry Scholarship to spouses and allowed VA to disapprove courses of education in which the state charges Veterans or Service members higher rates than that of in-state residents. The Forever GI Bill (P.L. 115-48) further changed the program, primarily enhancing and expanding benefits.

Eligibility under chapter 33 is based on active duty service, and students generally have up to 36 months of entitlement. Based on length of active duty service and training rate, students are entitled to a percentage of the following:

- Full cost of tuition and fees at the public school in-state rates, or up to \$26,042.81 (as of August 1, 2021) for those attending out-of-state, private, or foreign schools (paid to school);
- Monthly housing allowance (paid to the student);
- Yearly books and supplies stipend of up to \$1,000 per year (paid to student);

- A one-time payment of \$500 to certain individuals relocating from highly rural areas (paid to student);
- Payments for those pursuing a non-institute of higher learning program such as a non-college degree, on the job training, apprenticeship training, flight programs, or a correspondence program;
- Other benefits to certain students such as the Yellow Ribbon program, kickers (DoD-funded payments in addition to VA-funded benefit payments to encourage enlistment or retention in the Armed Forces), and refund of chapter 30 payroll deductions.

The Yellow Ribbon Program was enacted to assist eligible individuals with payment of their tuition and fees in instances where costs exceed the maximum benefit rate. The school of attendance must accept VA's invitation to participate in the program, state how much tuition will be waived (up to 50 percent), and state how many participants will be accepted into the program during the academic year. VA will match the school's percentage (up to 50 percent) to reduce or eliminate out-of-pocket costs for participants.

The Fry Scholarship entitles children and spouses of those who die in the line of duty on or after September 11, 2001 to use Post-9/11 GI Bill benefits. Eligible children and spouses are entitled to 36 months of benefits at the 100 percent level. In addition to the Fry Scholarship, certain members of the Armed Forces still on active duty may be eligible to transfer benefits to a spouse or dependent children based on DoD policy.

### **Survivors' and Dependents' Educational Assistance (Chapter 35)**

Chapter 35 provides education and training opportunities to eligible dependents of certain Veterans. This benefit may be used for degree and certificate programs, apprenticeships, and on-the-job training. A spouse may take a correspondence course. Remedial, deficiency, and refresher courses may be approved under certain circumstances.

To be eligible, one must be the spouse or dependent child of:

- A Veteran who died or is permanently and totally disabled as the result of a service-connected disability incurred due to active service in the Armed Forces;
- A Veteran who died from any cause while such permanent and total service-connected disability was in existence;
- A Service member missing in action or captured in line of duty by a hostile force;
- A Service member forcibly detained or interned in line of duty by a foreign government or power; or
- A Service member who is hospitalized or receiving outpatient treatment for a service-connected permanent and total disability and is likely to be discharged for that disability.

Dependent children must generally be between the ages of 18 and 26 to receive benefits for attending school or job training. Members of the Armed Forces may not receive this benefit while on active duty. For spouses, benefits generally end 10 years from the date VA determines eligibility or from the date of the Veteran's death. For spouses of Service members who died on active duty, benefits end 20 years from the date of death.



### **Montgomery GI Bill – Active Duty (MGIB-AD) (Chapter 30)**

The predecessor of the chapter 33 program is the Montgomery GI Bill, or chapter 30. Chapter 30 VA educational benefits may be used while a Service member is on active duty or after separation from active duty with a fully honorable discharge. Eligibility generally expires 10 years after the Service member's separation. However, there are exceptions for disability, re-entering active duty, and upgraded discharges.

Effective October 1, 2020, the rate for full-time training in college, technical, or vocational school was \$2,122 a month for those who served three years or more or two years plus four years in the Selected Reserve. For those who served less than three years, the monthly rate is \$1,722. Benefits are reduced for part-time training. Payments for other types of training follow different rules. VA will pay an additional amount, called a “kicker” or “college fund,” if directed by DoD. The maximum number of months Veterans can receive payments is 36 months at the full-time rate or the part-time equivalent.

The following types of education and training are available under chapter 30:

- College degree and certificate programs,
- Technical or vocational courses,
- Flight training,
- Apprenticeships or on-the-job training,
- High-technology training,
- Licensing and certification tests,
- Entrepreneurship training,
- Certain entrance examinations, and
- Correspondence courses.

Remedial, deficiency, and refresher courses may be approved under certain circumstances.

Section 1004 of P.L. 116-315 phases out chapter 30 beginning in 2030. Individuals who buy-into chapter 30 eligibility prior to September 30, 2030 retain eligibility until ten years after they leave service.

### **Montgomery GI Bill – Selected Reserve (MGIB-SR) (Chapter 1606)**

Chapter 1606 may be available to a member of the Selected Reserve if they meet the eligibility requirements established by their respective components. The Selected Reserve includes the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, Army National Guard, and Air National Guard. The program may be used for degree programs, certificate or correspondence courses, cooperative training, independent study programs, apprenticeship or on-the-job training, and vocational flight training programs. Remedial, refresher and deficiency training are available under certain circumstances. Up to 36 months of education benefits may be available. Specific eligibility requirements include:

- Have a six-year obligation to serve in the Selected Reserve signed after June 30, 1985. For some types of training, it is necessary to have a six-year commitment that begins after September 30, 1990;
- Complete initial active duty for training (IADT);

- Meet the requirement to receive a high school diploma or equivalency certificate before completing IADT; and,
- Remain in good standing while serving in an active Selected Reserve unit.

In addition, a discharge from Selected Reserve service due to a disability or being ordered to active duty may extend program eligibility beyond service in a Selected Reserve unit.

### **Reserve Educational Assistance Program (REAP) (Chapter 1607)**

The National Defense Authorization Act of 2016 ended enrollment into REAP on November 25, 2015. Beneficiaries who were attending an educational institution on November 24, 2015, or during the last semester, quarter, or term ending prior to that date, were eligible to continue to receive REAP benefits until November 25, 2019.

### **Veteran Employment Through Technology Education Courses Program**

The Forever GI Bill established a high technology pilot program, also known as the Veteran Employment Through Technology Education Courses (VET TEC), to provide eligible Veterans who are entitled to educational assistance under chapter 30, 32, 33, 34, or 35 of title 38, United States Code, or chapter 1606 or 1607 of title 10, United States Code, with the opportunity to enroll in high technology programs of education that VA determines provide training and skills sought by employers in a relevant field or industry. VA began making payments for the VET TEC Program in June of 2019.

### **VR&E (Chapter 31)**

The VR&E program assists Service members and Veterans with service-connected disabilities in obtaining and maintaining suitable employment. Independent living services are also available for severely disabled Veterans who are not currently ready to seek employment.

To be eligible, a Veteran must have a VA service-connected disability rated at least 20 percent with an employment barrier, or rated 10 percent with a serious employment barrier, and be discharged or released from military service under other than dishonorable conditions. Service members pending medical separation from active duty may also apply if their disabilities are reasonably expected to be rated at least 20 percent following discharge. A VA counselor must decide if the individual has an employment barrier based upon the results of a comprehensive evaluation. After an entitlement decision is made, the individual and counselor work together to develop a plan to specify the services to be provided. Most participants enter education or training programs. All program costs, including tuition, books, and fees, if appropriate, are borne by VA, and Veterans are provided with a monthly subsistence allowance.

Services provided to VR&E participants fall under one of five tracks:

- Reemployment with Previous Employer: For individuals who are separating from active duty or in the National Guard or Reserves and are returning to work for their previous employer.

- Rapid Access to Employment: For individuals who either wish to obtain employment soon after separation or who already have the necessary skills to be competitive in the job market in an appropriate occupation.
- Self-Employment: For individuals who have limited access to traditional employment, need flexible work schedules, or who require more accommodation in the work environment due to their disabling conditions or other life circumstances.
- Employment Through Long-Term Services: For individuals who need specialized training and/or education to obtain and maintain suitable employment.
- Independent Living Services: For individuals who are not currently able to work and need services to live more independently.

Veterans who separated from military service prior to January 1, 2013 must complete a program within 12 years from their separation from military service or within 12 years from the date VA notifies them that they have a compensable service-connected disability. P.L. 116-315 removed the 12-year window for Veterans who separated from military service after January 1, 2013. Depending on the length of program needed, Veterans may be provided up to 48 months of full-time services or their part-time equivalent. These limitations may be extended in certain circumstances.

In some cases, a Veteran may receive a subsistence allowance while they pursue an educational or training program in preparation for a future career. A subsistence allowance is paid each month during training and is based on the rate of attendance (full- or part-time), the type of education or training, and the number of dependents. The example below demonstrates the many rate structures possible.

2021 Monthly Subsistence Allowance for Training in an Institution for Higher Learning				
Training Time	Veterans with No Dependents	Veterans with One Dependent	Veterans with Two Dependents	Additional Dependent
Full-time	\$653.96	\$811.18	\$955.92	\$69.66
3/4-time	\$491.38	\$609.27	\$714.69	\$53.59
1/2-time	\$328.78	\$407.36	\$478.83	\$35.74
1/4 -time	\$164.37	\$203.71	\$239.42	\$17.83

### **Special Assistance for Disabled Veterans**

Special assistance provides housing, automotive, and adaptive equipment grants for severely disabled Veterans and Service members as well as a grant for individuals and entities developing assistive technology for housing grants:

- Specially Adapted Housing (SAH) Grants: VA may approve a grant of not more than 50 percent of the cost of building, buying, or adapting existing homes or paying to reduce

indebtedness on a currently owned home that is being adapted, up to a maximum of \$100,896 in 2021. In certain instances, the full grant amount may be applied toward remodeling costs.

- Special Housing Adaptation (SHA) Grants: VA may approve a grant for the cost, up to a maximum of \$20,215 in 2021, for necessary adaptations to a Veteran's or Service member's residence, or to help them acquire a residence already adapted with special features for their disability, to purchase and adapt a home, or for adaptations to a family member's home in which they will reside. To be eligible for this grant, Veterans and Service members must be entitled to compensation for a permanent and total service-connected disability due to certain specific conditions.
- Temporary Residence Adaptation (TRA) Grants: Eligible Veterans and Service members who are temporarily residing in a home owned by a family member may also receive a TRA grant to help the Veteran or Service member adapt the family member's home to meet his or her special needs. Those eligible for a SAH grant (\$100,896) would be permitted to use up to \$40,637 in 2021, and those eligible for a SHA grant (\$20,215) would be permitted to use up to \$7,256 in 2021. Grant amounts are adjusted annually based on a cost-of-construction index.
- Automobile Allowance and Adaptive Equipment: Veterans and Service members may be eligible for a one-time payment of not more than \$21,795.57 (as of October 1, 2020) toward the purchase of an automobile or other conveyance if they have service-connected loss or permanent loss of use of one or both hands or feet, permanent impairment of vision of both eyes to a certain degree, severe burn injuries, or Amyotrophic Lateral Sclerosis. Certain Service members and Veterans may also be eligible for adaptive equipment. Adaptive equipment includes, but is not limited to, power steering, power brakes, power windows, power seats, and special equipment necessary to assist the eligible person into and out of the vehicle.
- Specially Adapted Housing Assistive Technology Grant Program: The Specially Adapted Housing Assistive Technology Grant program authorizes VA to provide grants of up to \$200 thousand per year to individuals or entities for the development of specially adapted housing assistive technologies. VA is authorized \$1.0 million in the aggregate amount of such grants in any year. Public Law 116-159 extended this program through the end of 2022.

### **Indirect Benefits**

The Readjustment Benefits account is authorized by law to fund certain activities that indirectly benefit individuals participating in education and VR&E programs and transitioning Service members:

- Contract Counseling (Chapter 36): Up to \$6.0 million annually can be paid from the Readjustment Benefits account for contracts providing educational or vocational counseling services to individuals applying for or receiving education benefits and transitioning Service members six months prior or 12 months post-separation.

- State Approving Agencies (SAA): VA provides funding to SAAs, which are generally responsible for the approval of education and training programs in their respective states. Funding from the Readjustment Benefits account is limited each year by a rate set by Congress and increases annually by percentage applied to Social Security benefits. In 2021, total SAA funding is \$24.3 million.
- Reporting Fees: Schools are provided a reporting fee to certify enrollment information to VA based on the number of students who are receiving most VA education or VR&E benefits.
- Reimbursements to General Operating Expenses (GOE): Funding is provided to reimburse VBA's GOE account for certain printing and outreach expenses authorized by P.L. 101-237 and P.L. 105-368.

<b>Readjustment Benefits</b>			
<b>Analysis of Increases and Decreases</b>			
<b>(dollars in thousands)</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Prior Year Obligations</b>	<b>\$13,291,536</b>	<b>\$13,553,146</b>	<b>\$13,582,431</b>
<b>Chapter 33 (Post 9/11 GI Bill)</b>			
Economic Assumptions (COLA and Tuition Index)	+\$418,409	+\$236,567	+\$408,183
Caseload	-695,254	+167,365	+117,555
Average Payment	-142,542	-420,703	-26,533
<b>Net Changes</b>	<b>-\$419,386</b>	<b>-\$16,771</b>	<b>+\$499,205</b>
<b>Chapter 35 (Dependent Education)</b>			
Economic Assumption (CPI-W)	+\$16,922	+\$25,651	+\$27,210
Caseload	+173,996	+62,757	+66,600
Average Payment	+24,431	-46,248	-14,275
<b>Net Changes</b>	<b>+\$215,348</b>	<b>+\$42,159</b>	<b>+\$79,535</b>
<b>Chapter 30 (Montgomery GI Bill)</b>			
Economic Assumptions (Tuition Index)	+5,856	+3,885	+4,804
Caseload	-6,668	-11,551	-10,947
Average Payment	-1,202	-10,131	+370
<b>Net Changes</b>	<b>-\$2,014</b>	<b>-\$17,796</b>	<b>-\$5,773</b>
<b>Chapter 1606 (Reservists)</b>			
Economic Assumption (CPI-W)	+\$1,440	+\$2,003	+\$1,962
Caseload	-4,443	-4,164	-4,087
Average Payment	+4,248	-4,993	+38
<b>Net Changes</b>	<b>+\$1,245</b>	<b>-\$7,154</b>	<b>-\$2,087</b>
<b>Chapter 1607 (Reservists)</b>			
<b>Net Changes</b>	<b>-\$2,220</b>	<b>-\$2,300</b>	<b>-</b>
<b>Miscellaneous</b>			
Work-Study	+\$26,103	-\$20,748	+\$1,919
VET TEC Program	+20,534	-2,079	-
Tuition Assistance	+114	+81	+107
Licensing and Certification	+281	+1,540	+50
National Exams	-9	-8	-7
<b>Net Changes</b>	<b>+\$47,023</b>	<b>-\$21,214</b>	<b>+\$2,069</b>
<b>Chapter 31 (Veteran Readiness and Employment)</b>			
COLA	+\$25,269	+\$26,439	+\$27,701
Caseload	+125,605	+31,726	+36,107
Average payment	+180,327	-29,524	+42,476
Work-Study	+8,077	-6,746	+652
<b>Net Changes</b>	<b>+\$339,278</b>	<b>+\$21,896</b>	<b>+\$106,936</b>
<b>Special Assistance for Disabled Veterans</b>			
Housing Grants	+\$56,093	+\$6,320	+\$6,219
Automobile Grants	+\$621	+\$633	+\$646
Adaptive Equipment	+\$19,089	+\$22,826	+\$27,296
<b>Net Changes</b>	<b>+\$75,802</b>	<b>+\$29,780</b>	<b>+\$34,162</b>
<b>In-Direct Benefits</b>			
Contract Counseling	+4,652	-	-
State Approving Agencies	+327	+560	+523
Reporting Fees	+635	+326	+282
Housing Technology Grants	+\$402	-201	-1,000
Reimbursement to GOE	516	-	-
<b>Net Changes</b>	<b>+\$6,532</b>	<b>+\$685</b>	<b>-\$195</b>
<b>Total Net Change</b>	<b>\$261,610</b>	<b>\$29,285</b>	<b>\$713,850</b>
<b>Estimated Obligations</b>	<b>\$13,553,146</b>	<b>\$13,582,431</b>	<b>\$14,296,281</b>

## **Analysis of Increases and Decreases from 2022 to 2023**

### **Post 9-11 GI Bill (Chapter 33)**

Chapter 33 obligations are expected to increase \$499.2 million in 2023. Economic assumptions, including the VA education cost-of-living-adjustment (COLA) and tuition index, are expected to increase obligations by \$408.2 million. An estimated increase of 7,304 trainees will increase obligations by \$117.6 million. An estimated change in average payment unrelated to economic assumptions will result in a decrease of \$26.5 million. Average payments vary based on numerous factors including training time, length of service, legislative changes, the nature of the education institution (two year versus four year or online educational programs), and the types of training or education the beneficiary receives.

### **Survivors' and Dependents' Educational Assistance (Chapter 35)**

Chapter 35 obligations are projected to increase by \$79.5 million in 2023. Caseload is expected to increase by 9,563 children and spouses, resulting in an increase to obligations of \$66.6 million. The CPI-W is estimated to increase obligations by \$27.2 million, and changes in average benefit payments unrelated to economic assumptions are expected to decrease obligations by \$14.3 million.

### **All-Volunteer Force Educational Assistance Program (Chapter 30)**

Chapter 30 obligations are projected to decrease by \$5.8 million in 2023. A decrease in 1,240 beneficiaries is estimated to decrease obligations by \$10.9 million. Offsetting this decrease are expected increases of \$4.8 million attributed to the tuition index and \$370 thousand in the average payment unrelated to the tuition index.

### **Educational Assistance for Members of the Selected Reserve (Chapter 1606)**

Chapter 1606 obligations are expected to decrease by \$2.1 million in 2023. A decrease in 1,516 trainees is estimated to decrease obligations by \$4.1 million. The CPI-W is estimated to increase obligations by \$2.0 million, while increases to the average payment unrelated to economic assumptions is estimated to increase obligations by \$38 thousand.

### **Educational Assistance for Members of the Selected Reserve (Chapter 1607)**

The National Defense Authorization Act of 2016 (P.L 114-92) included a provision that ended REAP. As a result, no REAP payments will be issued in 2023.

### **Miscellaneous Education**

Total changes in miscellaneous education programs are expected to increase obligations by \$2.1 million in 2023. Work-study obligations are estimated to increase by \$1.9 million; tuition assistance obligations by \$107 thousand, and licensing and certification obligations by \$50 thousand. National exams obligations are expected to decrease by \$7 thousand.

### **VR&E (Chapter 31)**

Chapter 31 obligations are projected to increase by \$106.9 million in 2023. Changes to the average payment unrelated to economic assumptions are estimated increase obligations by \$42.5 million. An increase of an estimated 2,009 individuals receiving monetary benefits will increase obligations

by \$36.1 million. The tuition index and COLA are anticipated to increase obligations by \$27.7 million. Work-study obligations are estimated to increase by \$652 thousand.

**Special Assistance for Disabled Veterans**

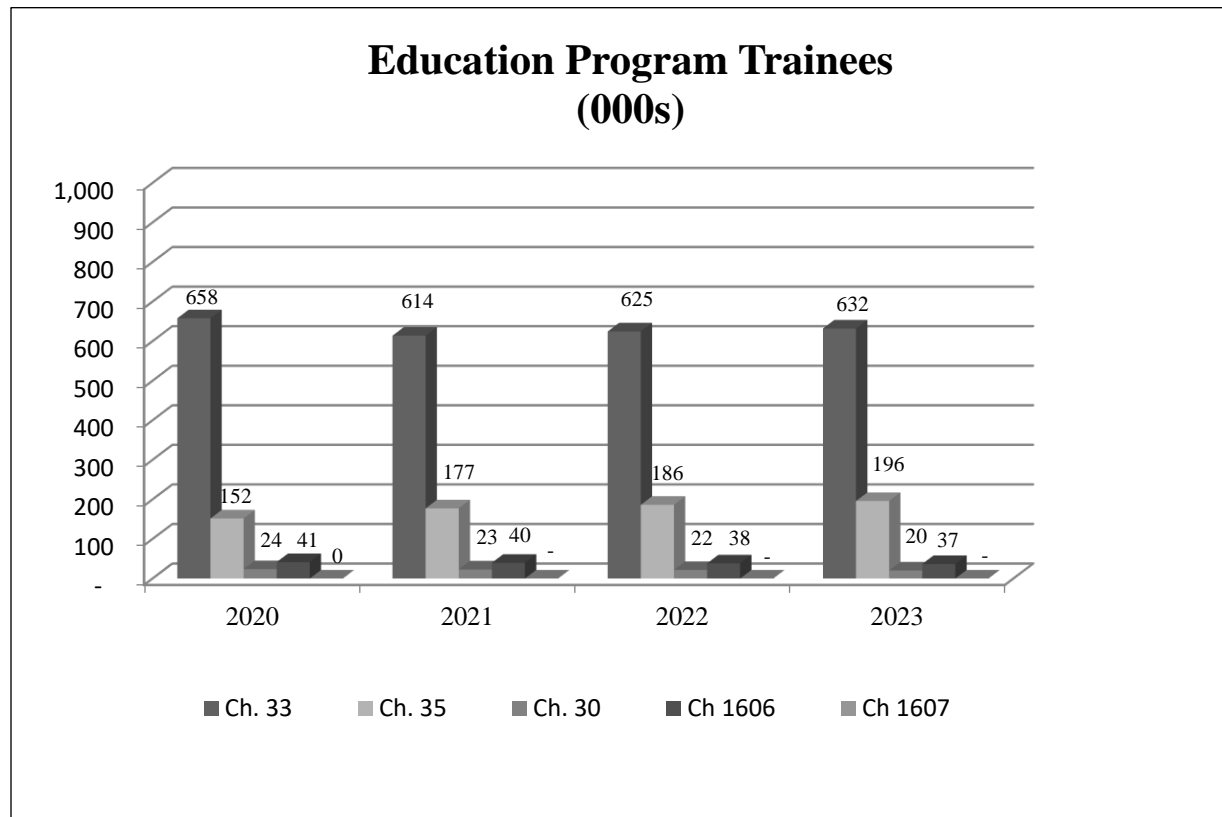
Total special assistance is expected to increase by \$34.2 million in 2023. Adaptive equipment grants are estimated to increase by \$27.3 million. Housing grants are estimated to increase by \$6.2 million, and automobile grants by \$646 thousand.

**Indirect Benefits**

Total changes in indirect benefits are expected to decrease obligations by \$195 thousand in 2023. Housing technology grants are estimated to decrease by \$1 million. Payments to SAAs are estimated to increase by \$523 thousand, and reporting fees by \$282 thousand.

**Education Program Highlights**

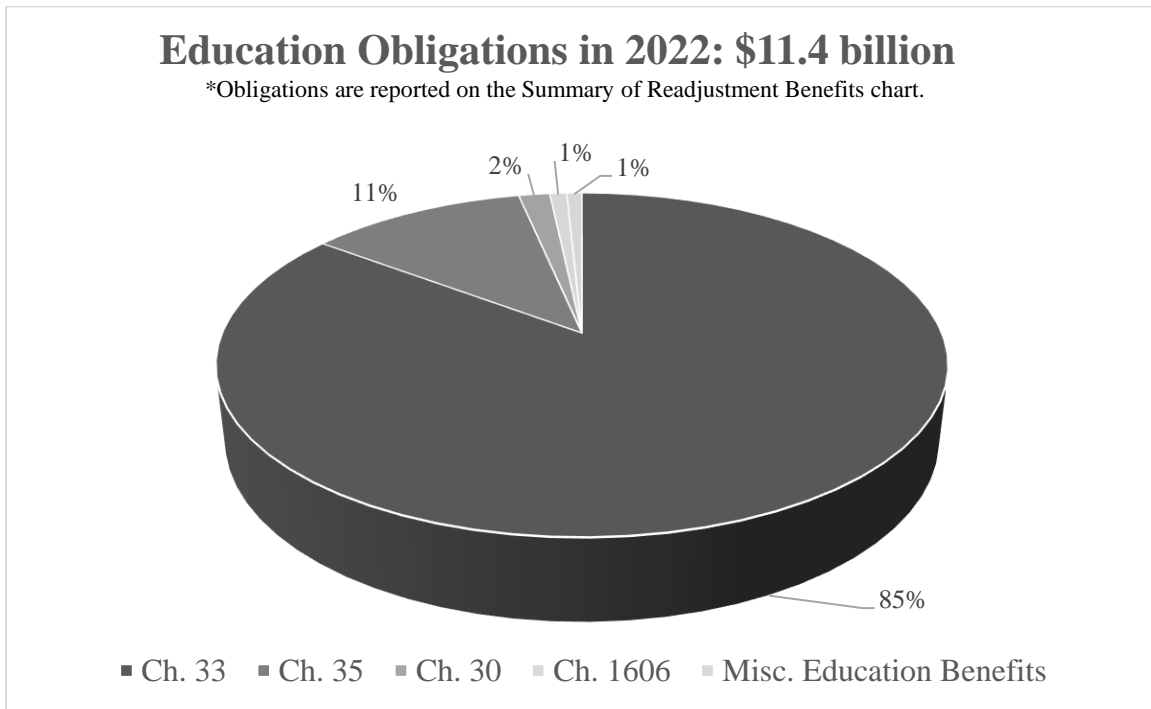
In 2021, education benefits will be provided to an estimated 856,553 beneficiaries. Total beneficiaries are projected to be 873,356 in 2022 and 887,402 in 2023.



The average cost per beneficiary is highest for chapter 33, reaching \$15,783 in 2021. The other education programs have significantly lower average payments, incentivizing most beneficiaries to elect chapter 33 benefits when eligible. In 2021, the estimated average cost per beneficiary will be \$8,862 for chapter 30, \$7,097 for chapter 35, and \$2,718 for chapter 1606. These average payments generally increase at rates consistent with economic assumptions and historical program trends.



Since 2010, chapter 33 has been the largest education program and is expected to provide benefits for 624,686 trainees in 2022, accounting for 85 percent of education obligations. Chapter 35 represents eleven percent of education obligations, while chapters 30 accounts for two percent, and 1606 accounts for one percent of obligations. Miscellaneous education benefits, such as work-study and the VET TEC program account for one percent of obligations.

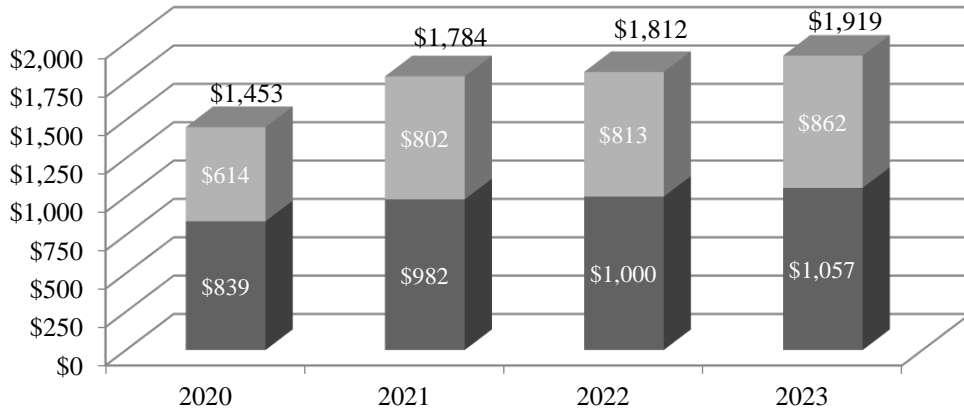


### VR&E Program Highlights

In 2020, 123,490 Veterans and Service members received benefits and services under the VR&E program. Of these, 95,665 received monetary benefits totaling \$1.5 billion. The number of participants receiving monetary benefits is anticipated to increase to 102,912 for nearly \$1.8 billion in 2021, 104,745 for over \$1.8 billion in 2022, and 106,754 for a total of \$1.9 billion in 2023.

Most VR&E program participants enter educational or training programs. All program costs, including tuition, books, and fees, if appropriate, are borne by VA. In addition, Veterans are provided with a monthly subsistence allowance, which will account for 45 percent of program costs in 2022. Beneficiaries with service on or after September 11, 2001, receive subsistence allowance at the chapter 33 monthly housing allowance rate. Beneficiaries who receive evaluation, planning, and delivery services do not receive any payments. This specific element of the program provides non-monetary assistance such as resumé preparation, job hunting strategies, interview preparation, and other assistance designed to help Veterans and Service members find suitable employment.

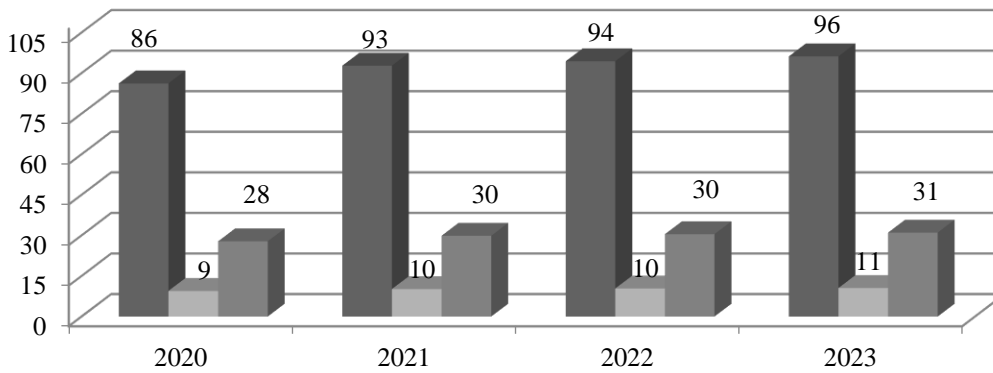
### Veteran Readiness & Employment Program Costs (\$ in millions)



*\*Totals do not include work study, as reported on the Summary of Readjustment Benefit Requirements*

Books, Tuition, Supplies, Fees, etc.    
  Subsistence Allowance

### Veteran Readiness & Employment Program Number of Trainees by Type (000s)



Trainees Receiving Subsistence  
 Trainees Not Receiving Subsistence  
 Participants Receiving Other Non-Monetary Services

Summary of Readjustment Benefit Requirements						
(obligations in thousands)						
	2020			2021		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
<b>Education Total <sup>1/</sup></b>	<b>875,036</b>	<b>\$13,182</b>	<b>\$11,533,809</b>	<b>853,992</b>	<b>\$13,318</b>	<b>\$11,373,807</b>
Chapter 33	657,927	\$15,364	\$10,108,335	613,877	\$15,783	\$9,688,949
Chapter 35	151,825	\$6,869	\$1,042,921	177,302	\$7,097	\$1,258,269
Sons and Daughters-Total	119,506	\$7,198	\$860,259	133,578	\$7,424	\$991,746
College	116,811	\$7,208	\$841,988	130,883	\$7,436	\$973,219
Bellow College Level	2,566	\$6,892	\$17,686	2,566	\$6,989	\$17,933
On-the-Job-Training	129	\$4,539	\$585	129	\$4,602	\$594
Spouses and Widows (ers)-Total	32,319	\$5,652	\$182,662	43,724	\$6,096	\$266,524
College <sup>2/</sup>	31,295	\$5,640	\$176,510	42,700	\$6,096	\$260,286
Bellow College Level	965	\$6,032	\$5,821	965	\$6,117	\$5,903
On-the-Job-Training	59	\$5,606	\$331	59	\$5,684	\$335
Chapter 30-Total	23,712	\$8,656	\$205,470	22,960	\$8,862	\$203,456
Veterans	18,900	\$9,944	\$188,167	18,506	\$10,098	\$186,880
Servicepersons	4,812	\$3,596	\$17,303	4,454	\$3,722	\$16,576
Reservists (1606)	41,488	\$2,581	\$107,077	39,854	\$2,718	\$108,322
Reservists (1607)	84	\$53,805	\$4,520	-	-	\$2,300
Work-Study	8,150	\$4,161	\$33,915	8,335	\$7,200	\$60,018
VET TEC	1,484	\$17,887	\$26,544	2,560	\$18,388	\$47,079
Tuition Assistance	1,323	\$2,458	\$3,252	1,323	\$2,544	\$3,366
Licensing and Certification Tests	2,507	\$681	\$1,706	2,821	\$704	\$1,987
National Exams	203	\$333	\$68	170	\$345	\$59
<b>VR&amp;E Total (Chapter 31)<sup>3/</sup></b>	<b>95,665</b>	<b>\$15,299</b>	<b>\$1,463,550</b>	<b>102,912</b>	<b>\$17,518</b>	<b>\$1,802,828</b>
Subsistence Allowance	86,193	\$7,120	\$613,663	92,741	\$8,643	\$801,552
Books, Tuition, Supplies, Fees, Etc.	9,472	\$8,769	\$838,913	10,170	\$9,544	\$982,226
Work-Study	2,405	\$4,563	\$10,973	2,613	\$7,290	\$19,050
<b>Special Assistance Total</b>			<b>\$253,887</b>			<b>\$329,689</b>
Specially Adapted Housing Grants	2,796	\$45,058	\$125,982	3,610	\$50,431	\$182,076
Automobile Grants	1,534	\$19,831	\$30,420	1,534	\$20,235	\$31,041
Adaptive Equipment	4,268	\$22,841	\$97,484	4,268	\$27,313	\$116,573
<b>Indirect Benefits Total</b>			<b>\$40,290</b>			<b>\$46,822</b>
Chapter 36	3,260	\$414	\$1,348	3,293	\$1,822	\$6,000
State Approving Agencies			\$24,007			\$24,335
Reporting Fees			\$14,038			\$14,673
Specially Adapted Housing Tech Grants	4	\$199,716	\$799	6	\$200,000	\$1,201
Reimbursement to GOE			\$97			\$613

1/ Education workload is not a count of unique individuals; trainees switching education programs are counted in each program they trained in during the year. Workload is the sum of chapters, not miscellaneous education benefits such as work-study.

2/ Includes caseload and obligations for correspondence training

3/ Chapter 31 trainees total does not include chapter 31 work-study caseload

Summary of Readjustment Benefit Requirements (cont.) (obligations in thousands)						
	2022			2023		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
<b>Education Total <sup>1/</sup></b>	<b>870,975</b>	<b>\$13,032</b>	<b>\$11,350,731</b>	<b>885,086</b>	<b>\$13,472</b>	<b>\$11,923,679</b>
Chapter 33	624,686	\$15,483	\$9,672,178	631,990	\$16,094	\$10,171,383
Chapter 35	186,396	\$6,977	\$1,300,429	195,959	\$7,042	\$1,379,964
Sons and Daughters-Total	139,991	\$7,389	\$1,034,373	146,704	\$7,461	\$1,094,617
College	137,296	\$7,397	\$1,015,553	144,009	\$7,469	\$1,075,617
Bellow College Level	2,566	\$7,099	\$18,217	2,566	\$7,167	\$18,391
On-the-Job-Training	129	\$4,675	\$603	129	\$4,720	\$609
Spouses and Widows (ers)-Total	46,405	\$5,733	\$266,056	49,255	\$5,793	\$285,347
College <sup>2/</sup>	45,381	\$5,723	\$259,719	48,231	\$5,784	\$278,950
Bellow College Level	965	\$6,213	\$5,996	965	\$6,273	\$6,053
On-the-Job-Training	59	\$5,774	\$341	59	\$5,829	\$344
Chapter 30-Total	21,615	\$8,589	\$185,660	20,375	\$8,829	\$179,887
Veterans	17,492	\$9,716	\$169,955	16,559	\$9,958	\$164,900
Servicepersons	4,123	\$3,810	\$15,705	3,816	\$3,927	\$14,987
Reservists (1606)	38,278	\$2,643	\$101,169	36,762	\$2,695	\$99,081
Reservists (1607)	-	-	-	-	-	-
Work-Study	8,496	\$4,622	\$39,271	8,625	\$4,776	\$41,190
VET TEC	2,381	\$18,903	\$45,000	2,316	\$19,432	\$45,000
Tuition Assistance	1,323	\$2,605	\$3,447	1,323	\$2,686	\$3,554
Licensing and Certification Tests	4,890	\$721	\$3,527	4,810	\$744	\$3,577
National Exams	143	\$353	\$50	120	\$364	\$44
<b>VR&amp;E Total (Chapter 31) <sup>3/</sup></b>	<b>104,745</b>	<b>\$17,421</b>	<b>\$1,824,723</b>	<b>106,754</b>	<b>\$18,094</b>	<b>\$1,931,659</b>
Subsistence Allowance	94,380	\$8,610	\$812,581	96,190	\$8,962	\$862,029
Books, Tuition, Supplies, Fees, Etc.	10,365	\$9,545	\$999,839	10,564	\$9,898	\$1,056,674
Work-Study	2,660	\$4,626	\$12,304	2,711	\$4,780	\$12,956
<b>Special Assistance Total</b>			<b>\$359,469</b>			<b>\$393,631</b>
Specially Adapted Housing Grants	3,671	\$51,326	\$188,396	3,708	\$52,490	\$194,615
Automobile Grants	1,534	\$20,648	\$31,674	1,534	\$21,069	\$32,320
Adaptive Equipment	4,268	\$32,661	\$139,399	4,268	\$39,057	\$166,695
<b>Indirect Benefits Total</b>			<b>\$47,507</b>			<b>\$47,312</b>
Chapter 36	3,457	\$1,735	\$6,000	3,630	\$1,653	\$6,000
State Approving Agencies			\$24,894			\$25,417
Reporting Fees			\$14,999			\$15,281
Specially Adapted Housing Tech Grants	5	\$200,000	\$1,000	-	-	-
Reimbursement to GOE			\$613			\$613

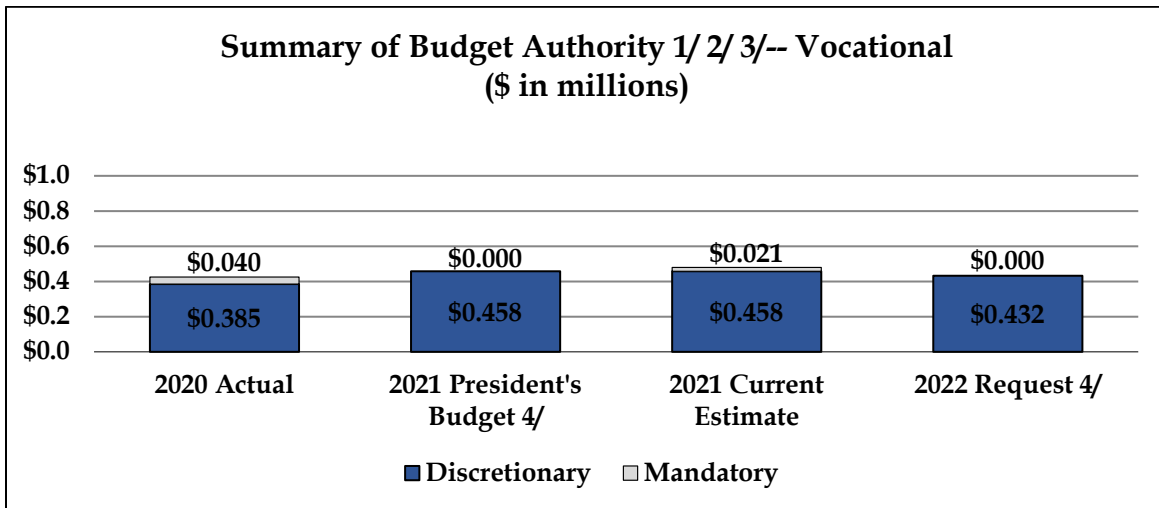
<sup>1/</sup> Education workload is not a count of unique individuals; trainees switching education programs are counted in each program they trained in during the year. Workload is the sum of chapters, not miscellaneous education benefits such as work-study.

<sup>2/</sup> Includes caseload and obligations for correspondence training

<sup>3/</sup> Chapter 31 trainees total does not include chapter 31 work-study caseload.



## Vocational Rehabilitation Loan Program



**Notes:**

1/ Budget authority is appropriations for loan administrative and subsidy expenses.

2/ Discretionary budget authority funds loan subsidy and administrative expenses.

3/ Mandatory budget authority funds loan subsidy reestimates.

4/ The 2021 President's Budget and 2022 Request do not reflect the annual subsidy reestimates per OMB Circular No. A-11.

### Appropriations Language

#### Vocational Rehabilitation Credit Program Account

For the costs of direct loans, [\$33,826] \$2,838 as authorized by chapter 31 of title 38, United States Code: *Provided*, that such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974; *Provided further*, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed [\$2,469,522] \$1,662,758.

In addition, for administrative expenses necessary to carry out the direct loan program, [\$424,272] \$429,467, which may be paid to the appropriation for "General Operating Expenses, Veterans Benefits Administration".

<b>Summary of Net 2022 Estimates</b> (dollars in thousands)				
	<b>Budget Authority</b>	<b>Outlays</b>	<b>Financing Authority</b>	<b>Financing Disbursement</b>
Program Account	\$432	\$432	\$0	\$0
Direct Loan Financing Account	\$0	\$0	-\$359	-\$359
<b>Total</b>	<b>\$432</b>	<b>\$432</b>	<b>-\$359</b>	<b>-\$359</b>

## Summary of Budget Request

Appropriations of \$432,305 is requested to provide subsidy payments of \$2,838 to the Vocational Rehabilitation Direct Loan Financing Account and to reimburse \$429,467 to the appropriations fund for VBA's GOE.

## Program Description

Currently, non-interest direct loans up to \$1,300 per Veteran, twice the amount of indexed full-time subsistence allowance for a Veteran without dependents under Chapter 31 of title 38 United States Code (U.S.C.) 3108(b)(1), are available to Veterans with service-connected disabilities who participate in the Veteran Readiness and Employment Program (VR&E).<sup>2</sup> Counselors approve these loans to those needing additional financial assistance. The loan program provides Veterans (that is, borrowers) with the resources necessary for them to start, continue, or reenter vocational rehabilitation training if an unforeseen hardship occurs.

These loans help ensure the success of VA's investments in Veterans participating in vocational rehabilitation training, which averaged approximately \$1,039 per participant in 2020. Repayment of the loans are made in monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, or educational assistance allowance, ensuring all loans are fully repaid. The rate of repayment may not be less than 10 percent of the amount advanced unless the monthly benefit being used for repayment is less than 10 percent of the loan amount. That means the majority of loans are repaid in ten months (10 percent for each month). In the rare instance the monthly benefits payment is less than 10 percent of the advanced amount, the repayment period may be extended. Therefore, minimal loan defaults are expected. Also, a debt will be created for any defaulted amount and referred to Debt Management Center for collection.

## Federal Credit Reform

The Federal Credit Reform Act of 1990, P.L. 101-508, changed the accounting for Federal credit programs to more accurately measure their costs and to make them consistent with comparable non-credit transactions. To accomplish this objective, the Vocational Rehabilitation Loan Program is managed using the Credit Program Account, which obligates appropriations to pay for loans' subsidy cost, and the non-Budgetary Direct Loan Financing Account.

<sup>2</sup> In 2020, VA changed VR&E's name from the "Vocational Rehabilitation and Employment Program" to the "Veteran Readiness and Employment Program".

## Credit Program Account – On-Budget

VA requests appropriations for subsidy payments and administrative expenses through the Credit Program Account. The program administrative expenses are reimbursed to VBA’s GOE account. The subsidy payments are estimated loan cash flows on a net present value basis.

<b>Summary of Appropriations Highlights – Program Account</b> (dollars in thousands)					
	2020 Actual	2021		2022 Estimate	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
<b>Obligations</b>					
Direct loan subsidy	\$21	\$34	\$34	\$3	-\$31
Upward Reestimates	\$3	\$0	\$10	\$0	-\$10
Interest on Reestimates	\$0	\$0	\$11	\$0	-\$11
Administrative expenses	\$402	\$424	\$424	\$429	\$5
<b>Total obligations</b>	<b>\$425</b>	<b>\$458</b>	<b>\$479</b>	<b>\$432</b>	<b>-\$47</b>
<b>Unobligated Balance:</b>					
Start of year	\$0	\$0	\$0	\$0	\$0
End of year	\$0	\$0	\$0	\$0	\$0
<b>Budget authority (net)</b>	<b>\$425</b>	<b>\$458</b>	<b>\$479</b>	<b>\$432</b>	<b>-\$47</b>
<b>Obligated Balance:</b>					
Start of year	\$0	\$0	\$0	\$0	\$0
End of year	\$0	\$0	\$0	\$0	\$0
<b>Outlays (net)</b>	<b>\$425</b>	<b>\$458</b>	<b>\$479</b>	<b>\$432</b>	<b>-\$47</b>
<b>Workload:</b>					
Number of loans established	703	2,376	2,376	1,570	-\$806
Average loan amount (dollars)	\$1,039	\$1,040	\$1,040	\$1,059	\$20
Total Loan Amount	\$730	\$2,470	\$2,470	\$1,663	-\$807
Loan subsidy rate	2.87%	1.37%	1.37%	0.17%	-1.20%
<b>Average Employment/FTE:</b>					
Veterans Benefits Administration	3	3	3	3	0

Note: The dollar amounts may not add due to rounding in this and subsequent tables.

## Detail of Budget Request

The subsidy rate is estimated to be 0.17 percent for new loans in 2022. The average default rate for these loans is expected to be 0 percent because all the loans should be fully repaid from other VBA payments to the borrowers. The subsidy rate supports funding an estimated 1,570 new loans with an average loan size of \$1,059 and a value of \$1,662,758 for a subsidy cost of \$2,838. VBA requests \$429,467 for three FTE to administer the program.

## Changes from Original 2020 Budget Estimate

For the Credit Program Account, the current 2021 budget authority of \$479,000 shows a small increase of \$21,000 from the original 2021 budget estimate, primarily due to upward subsidy reestimates.

<b>Analysis of Increases and Decreases – Outlays</b>		
(dollars in thousands)		
	<b>2021 Current Estimate</b>	<b>2022 Estimate</b>
Prior year outlays (net)	<b>\$425</b>	<b>\$479</b>
<b>Increases (+) and Decreases (-)</b>		
Loan Subsidy	\$13	-\$31
Upward Reestimates	\$18	-\$21
Administrative expense	\$22	\$5
Change in obligated balance/other	\$0	\$0
<b>Net Change</b>	<b>\$54</b>	<b>-\$47</b>
<b>Estimated Outlays (net)</b>	<b>\$479</b>	<b>\$432</b>

The 2021 net outlays are projected to increase by \$54,000 primarily due to a \$13,000 increase in loan subsidy obligations to accommodate higher borrower demand, a \$18,000 increase in upward subsidy reestimates, and a \$22,000 increase in administrative expenses. The subsidy rate is projected to decrease (1.37 percent versus 2.87 percent), and the average loan amount is projected to increase (\$1,040 vs. \$1,039) in 2021 from 2020. In addition, the number of loan disbursements is projected to increase (2,376 versus 703); and the amount of loan obligations is projected to increase (\$2,470,000 versus \$730,000) in 2021.

The 2022 net outlays are projected to decrease by \$47,000 primarily due to a \$31,000 decrease in loan subsidy and the absence of the \$21,000 upward subsidy reestimate, and an offsetting \$5,000 increase in loan administrative expenses. The change in the loan subsidy estimate reflects a decrease in the 2022 subsidy rate to 0.17 percent, compared with the 2021 subsidy rate of 1.37 percent. The upward subsidy reestimates of 2022 will not be calculated until the 2023 President’s budget is formulated in FY 2022.

### **Direct Loan Financing Account – Off-Budget**

The Vocational Rehabilitation Direct Loan Financing Account is an off-budget account that records all financial transactions (that is, obligations, collections, and outlays associated with direct loan originations). The Direct Loan Financing Account is used primarily for the tracking of each cohort year’s loan activity and is not included in the budget totals when calculating total government spending.



<b>Financial Summary</b> (dollars in thousands)					
	2020 Actual	2021		2022 Estimate	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
<b>Obligations:</b>					
Direct loans	\$730	\$2,470	\$2,470	\$1,663	-\$807
Downward Reestimates	\$6	\$0	\$0	\$0	\$0
Interest on Downward Reestimates	\$4	\$0	\$0	\$0	\$0
Interest on Treasury borrowing	\$60	\$0	\$0	\$0	\$0
<b>Total obligations</b>	<b>\$799</b>	<b>\$2,470</b>	<b>\$2,470</b>	<b>\$1,663</b>	<b>-\$807</b>
<b>Unobligated Balance:</b>					
Start of year	\$427	\$0	\$509	\$0	-\$509
End of year	\$509	\$0	\$0	\$0	\$0
<b>Obligated Balance:</b>					
Start of year	\$3	\$3	\$6	\$6	\$0
End of year	\$6	\$3	\$6	\$6	\$0
<b>Offsetting Collections:</b>					
Loan Repayments	\$949	\$2,284	\$1,742	\$1,986	\$244
Interest on Uninvested Funds	\$60	\$28	\$34	\$33	-\$1
Payments from Program Account	\$21	\$34	\$34	\$3	-\$31
Upward Reestimates	\$3	\$0	\$21	\$0	-\$21
<b>Total offsetting collections</b>	<b>\$1,033</b>	<b>\$2,347</b>	<b>\$1,831</b>	<b>\$2,022</b>	<b>\$191</b>
<b>Financing:</b>					
Financing authority, net	\$295	\$123	\$638	-\$359	-\$997
Financing disbursements, net	-\$216	\$123	\$638	-\$359	-\$997

### Summary of Off-Budget Financing Account

Direct loan obligations are estimated to be \$1,663,000 in 2022, a decrease of \$807,000 from the 2021 level. The loan decrease reflects the number of loans that is estimated to be established (1,570 versus 2,376), given historical data.

Offsetting collections in 2022 are estimated to be \$2,022,000, an increase of \$191,000 from the 2021 level. This is due to an increase of \$244,000 in loan repayments, an offsetting decrease of \$31,000 in subsidy payment, and the absence of the \$21,000 upward subsidy reestimates.

The 2022 offsetting collections of \$2,022,000 are estimated to exceed the related obligations of \$1,663,000 with a resulting net financing authority of -\$359,000.

<b>Analysis of Increases and Decreases – Outlays</b>		
(dollars in thousands)		
	<b>2021</b>	<b>2022</b>
	<b>Current Estimate</b>	<b>Estimate</b>
<b>Prior year Financing Disbursement (net)</b>	<b>-\$216</b>	<b>\$638</b>
<b>Increases (+) and Decreases (-)</b>		
<b>Obligations:</b>		
Direct loans	\$1,739	-\$807
Downward Reestimates	-\$9	-\$0
Interest on Treasury borrowing	-\$60	\$0
<b>Subtotal Obligations</b>	<b>\$1,670</b>	<b>-\$807</b>
<b>Offsetting collections</b>		
Loan Repayments	-\$793	-\$244
Interest on Uninvested Funds	\$26	\$1
Payments from Program Account	-\$13	\$31
Upward Reestimates	-\$18	\$21
Change in obligated balance/other	-\$17	\$0
<b>Subtotal Offsetting Collections</b>	<b>-\$815</b>	<b>-\$191</b>
<b>Net Change</b>	<b>\$855</b>	<b>-\$997</b>
<b>Estimated Financing Disbursement (net)</b>	<b>\$638</b>	<b>-\$359</b>

The 2021 net financing disbursements are estimated to increase by \$855,000. This is primarily due to an increase in direct loan obligations by \$1,739,000 and an offsetting increase in loan repayment collections by \$793,000.

The 2022 net financing disbursements are estimated to decrease by \$997,000, primarily due to an increase in net offsetting collections by \$191,000 and a decrease in obligations by \$807,000. The annual reestimates for 2022 will not be calculated until the 2023 President's budget is formulated in FY 2022.



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## *Post-Vietnam Era Veterans' Education Account*

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### **Program Description**

Title 38, United States Code (U.S.C.) chapter 32, Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) is a voluntary contribution and matching program established under the Veterans' Education and Employment Assistance Act of 1976, P.L. 94-502. To be eligible, an individual must have initially entered active duty on or after January 1, 1977, and before July 1, 1985; enrolled and contributed before April 1, 1987; and served continuously for more than 180 days. Individuals on active duty could enroll and contribute between \$25 and \$100 per month up to a total of \$2,700. Individuals on active duty could make a lump-sum contribution at any time before their discharge or release if they had not yet contributed \$2,700. The government matches contributions on a 2-for-1 basis, but may make additional contributions, or "kickers", on behalf of individuals in critical military fields, as determined by the Department of Defense (DoD), to encourage individuals to enlist or reenlist. VEAP participants who disenroll from the program may request a refund of prior contributions.

The Educational Assistance Program for Persons Enlisting for Active Duty authorized in section 901 of the Department of Defense Authorization Act of 1981, P.L. 96-342, is a non-contributory program in which individuals or eligible dependents may receive educational assistance and subsistence allowance while training at accredited educational institutions. The program is funded by DoD and codified in Title 10 U.S.C. chapter 106A.

The Educational Assistance Pilot Program, authorized in section 903 of P.L. 96-342, is a non-contributory modified chapter 32 benefit. It differs from the basic chapter 32 program in that the service department makes the individual's monthly contributions, and certain individuals are permitted to transfer the entitlement to their spouses or children. This program is codified in Title 10 U.S.C. 2141(a).

Participants have been afforded opportunities to enroll in the Montgomery GI Bill (MGIB):

- P.L. 101-510, the National Defense Authorization Act for Fiscal Year 1991, allowed Service members enrolled or eligible to reenroll in VEAP, who were involuntarily separated from service on or after February 3, 1991, an opportunity to make an irreversible election to receive assistance under the MGIB educational assistance program in lieu of VEAP.
- P.L. 102-484, the National Defense Authorization Act for Fiscal Year 1993, allowed certain Service members who voluntarily separated from the military on or after December 5, 1991, to be eligible for the MGIB program effective October 23, 1992.
- P.L. 104-275, the Veterans Benefits Improvement Act of 1996, provided an opportunity for chapter 32 (and section 903) to enroll in the MGIB program. Under this law, the Service member must have been a VEAP participant on October 9, 1996 and made a permanent election to become eligible for the MGIB program. Individuals who elected to disenroll from

VEAP paid \$1,200 into the Department of Treasury's GI Bill receipt account to establish eligibility under the MGIB program.

<b>Post-Vietnam Era Veterans' Education Program Fund Highlights and Caseload Summary (dollars in thousands)</b>					
	2020	2021		2022	Increase (+) Decrease (-)
	Budget Actual	Budget Estimate	Current Estimate	Estimate	
<b>Obligations:</b>					
Disenrollments	\$69	\$96	\$67	\$64	-\$3
<b>Budget Authority (trust fund, indefinite)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Outlays	\$70	\$96	\$67	\$64	-\$3
Unobligated balance:					
Start of year	\$61,592	\$61,491	\$61,522	\$61,456	-\$67
End of year	\$61,522	\$61,395	\$61,456	\$61,392	-\$64
<b>Caseload/Participants</b>					
Disenrollments	24	70	23	22	-1
Participants, end of year	115,337	115,246	115,314	115,292	-22
<b>Average Payments (whole dollars)</b>					
Disenrollments	\$2,893	\$1,363	\$2,893	\$2,893	\$0

*Note: Dollars may not add due to rounding in this and subsequent charts*

### Summary of Budget Request

No appropriation action by Congress is required. Budget authority, consisting of transfers from DoD and deposits from participating Service members, are available as permanent and indefinite authority. VA currently estimates that the unobligated balance carried forward from prior years will provide sufficient funding for VEAP through 2022. VA does not anticipate receiving additional deposits from participating Service members or transfers from DoD. Therefore, no additional budget authority is identified in this request to fund the estimated obligations of \$64 thousand for 22 disenrollment refunds in 2022.

### Changes from the Original 2021 Estimate

Current estimated obligations for 2021 decreased by \$29 thousand from the original estimate due to a decrease in disenrollments (70 vs. 23).

<b>Post-Vietnam Era Veterans' Education Program</b> <b>Analysis of Increases and Decreases</b> <b>(dollars in thousands)</b>		
	<b>2021</b> <b>Estimate</b>	<b>2022</b> <b>Estimate</b>
<b>Prior year obligations</b>	<b>\$69</b>	<b>\$67</b>
Disenrollments	-\$2	-\$3
Net change	-\$2	-\$3
<b>Estimated obligations</b>	<b>\$67</b>	<b>\$64</b>

### **Analysis of Increases and Decreases**

In 2022, obligations are projected to be \$64 thousand, a decrease of \$3 thousand from the 2021 level of \$67 thousand. Disenrollment obligations (refunds) are projected to decline by \$3 thousand as a result of fewer participants disenrolling (22 vs. 23). The number of participants will continue to decline because the program is closed to new enrollments, and eligibility is restricted to persons who first entered active duty prior to July 1, 1985.

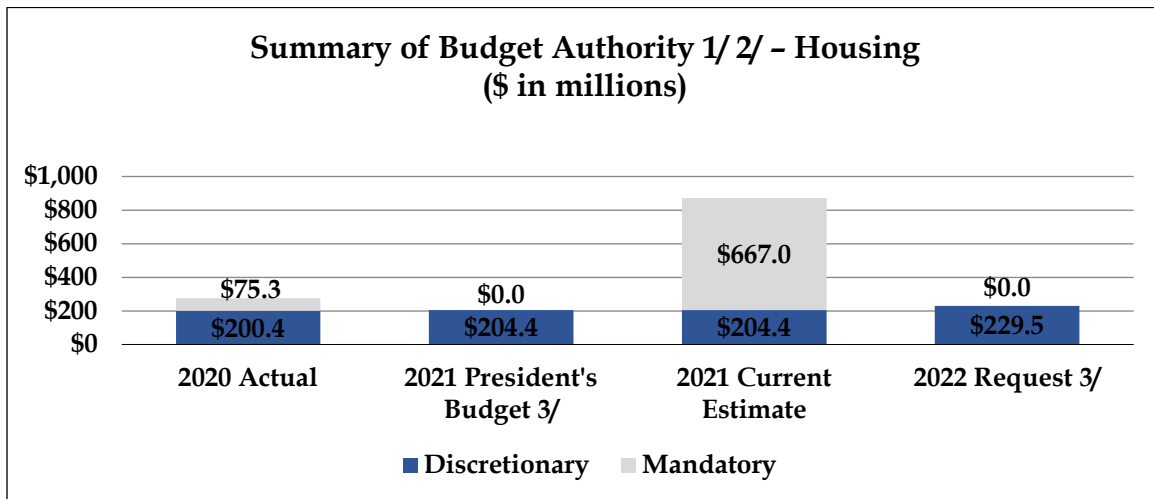
### **Program Highlights**

For budget purposes, no future training is anticipated in the program. During 2022, 22 participants are expected to disenroll from this program and receive \$64 thousand in refunds.

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## Veterans Housing Loan Program



**Notes:**

1/ The budget authority is for the Credit Program Account.

2/ The budget authority is appropriations for loan administrative and subsidy expenses.

3/ The 2021 President's budget and 2022 request do not reflect the annual subsidy reestimates per OMB Circular No. A-11.

### Appropriations Language

#### Housing Credit Program Account

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by subchapters I through III of chapter 37 of title 38, United States Code: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That during fiscal year [2021] 2022, within the resources available, not to exceed \$500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [\$204,400,000] \$229,500,000.

**Housing Mortgage Loan Programs**  
**Summary of Appropriation Highlights**  
(dollars in thousands)

	2020 Actual	2021		2022 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
<b>Obligations:</b>					
Liquidating Account	\$1,147	\$1,600	\$999	\$873	-\$126
Program Account	\$275,380	\$204,400	\$871,434	\$229,500	-\$641,934
<b>Total Obligations</b>	<b>\$276,528</b>	<b>\$206,000</b>	<b>\$872,432</b>	<b>\$230,373</b>	<b>-\$642,060</b>
<b>Budget Authority:</b>					
Mandatory, Program Account	\$75,279	\$0	\$599,034	\$0	-\$599,034
Mandatory, Liquid. Account	-\$7,024	-\$5,360	-\$6,121	-\$4,767	\$1,354
Discretionary Program Account	\$200,377	\$204,400	\$204,400	\$229,500	\$25,100
<b>Total Budget Authority (net)</b>	<b>\$268,632</b>	<b>\$199,040</b>	<b>\$797,313</b>	<b>\$224,733</b>	<b>-\$572,580</b>
<b>Outlays:</b>					
Liquidating Account	-\$8,028	-\$5,360	-\$5,310	-\$4,767	\$543
Program Account	\$242,727	\$204,400	\$915,355	\$229,500	-\$685,855
<b>Total Outlays (net)</b>	<b>\$234,699</b>	<b>\$199,040</b>	<b>\$910,045</b>	<b>\$224,733</b>	<b>-\$685,312</b>
Outstanding Loan Guarantees <sup>3</sup>	3,577,696	3,699,090	3,825,927	4,043,194	217,267

### Summary of Budget Request

The 2022 appropriations request of \$229.5 million is discretionary funding for housing loan program administration. The mandatory appropriations request is zero because the housing loan programs have negative subsidy rates estimated for 2022. The negative subsidy rate is a function VA loan guarantee historical performance and the President’s Budget economic assumptions.

The discretionary appropriations request of \$229.5 million will fund estimated administrative expenses for the Office of General Counsel (OGC), the Office of Information and Technology (OIT), and the Veterans Benefits Administration (VBA) at VA.

The housing Liquidating loan account has adequate resources to pay its obligations because of offsetting collections from loan principal and interest payments.

The housing loan guarantee program subsidy is the government’s cost of guaranteeing loans, net of recoveries, on a net present value basis. In 2022, the program’s subsidy rate is an estimated -0.08 percent to support 968,977 loan guarantees with a value of \$301.0 billion and an average loan size of \$310,650. No appropriated funds will be needed for loan guarantees with a negative subsidy rate. The Loan Data Summary Table shows loan data for the years 2020 to 2022.

<sup>3</sup> Data source is WebLGY for the number of active VA home loans.



The housing loan sales securities program subsidy is the government's cost of guaranteeing loan sales, net of recoveries, on a net present value basis. In 2022, VA will not issue any new loan sales securities and related guarantees; thus no appropriated funds will be needed.

The direct loan program consists of Acquired and Vendee mortgage programs. VA uses the Acquired program in combination with the loan guarantee program to purchase a mortgage from a VA lender and simultaneously establish a new low-cost direct mortgage loan with the Veteran borrower. VA uses the Vendee program to finance the sale of a VA-owned property to a buyer. That is, VA issues a new low-cost mortgage to a buyer of a VA-owned property.

In 2022, the Acquired direct loan subsidy rate is an estimated -1.91 percent to finance 77 new loans with a value of \$28.4 million and an average loan size of \$366,939. In 2022, the Vendee direct loan subsidy rate is an estimated -27.09 percent to finance 79 new loans with a value of \$16.4 million and an average loan size of \$207,148.

Negative subsidy rates are estimated for the direct loan programs in 2022; thus, they require no subsidy appropriations. The net interest margin and loan default rate assumptions for the direct loans are the drivers for negative subsidy rates estimated.

The housing transitional loan guarantee program subsidy is the estimated net present value cost to the government of one direct loan disbursed in 2005. In 2012, VA stopped using this housing loan program to guarantee any new direct loans funded by the Federal Financing Bank (FFB). Thus, the program will not require any subsidy appropriations in 2022.

**Housing Loan Program Data Summary**  
(dollars in thousands)

	2020 Actual	2021		2022 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
<b>Veterans Housing Benefit Program:</b>					
<b>Guaranteed Loans:</b>					
Subsidy rate	-0.30%	-0.50%	-0.50%	-0.08%	0.43%
Number of guaranteed loans	1,203,236	550,726	1,278,268	968,977	-309,292
Amount of guaranteed loans	\$362,210,312	\$142,876,592	\$391,279,586	\$301,012,801	\$90,266,785
Average loan amount (dollars)	\$301,030	\$259,433	\$306,101	\$310,650	\$4,549
<b>Loan Sales Securities:</b>					
Subsidy rate	0.00%	0.00%	0.00%	0.00%	0.00%
Guaranteed loans sold:					
Number of loans sold	0	0	0	0	0
Amount of loans sold	\$0	\$0	\$0	\$0	0
Average loan amount (dollars)	\$0	\$0	\$0	\$0	\$0
Gross proceeds from sale	\$0	\$0	\$0	\$0	0
<b>Direct Loans:</b>					
<b>Acquired Loans:</b>					
Subsidy rate	17.77%	-1.57%	-1.57%	-1.91%	-0.34%
Number of Loans	0	72	72	77	5
Total amount of loans	\$0	\$2,462	\$25,902	\$28,433	\$2,531
Average loan amount (dollars)	\$0	\$34,116	\$359,748	\$366,939	\$7,191
<b>Vendee Loans:</b>					
Subsidy rate	8.51%	-22.54%	-22.54%	-27.09%	-4.55%
Number of Loans	255	532	75	79	4
Total amount of loans	\$50,922	\$96,807	\$15,231	\$16,416	\$1,185
Average loan amount (dollars)	\$199,692	\$181,799	\$203,085	\$207,148	\$4,062

**Federal Credit Reform**

The Federal Credit Reform Act of 1990, P.L. 101-508, changed the accounting for Federal credit programs to measure their costs more accurately and to make them consistent with and comparable to non-credit transactions. The intent of credit reform is to separate subsidy costs, the cost to the government, from the non-subsidized cash flows of credit transactions and to focus on the former for budgeting and analysis. To accomplish this objective, the VA housing loan program is separated into six accounts: the Credit Program Account, the Guaranteed Loan Financing Account, the Direct Loan Financing Account, the Loan Sales Securities Guaranteed Loan Financing Account, the Liquidating Account, and the Guaranteed Transitional Housing Direct Loan Financing Account.

## **Credit Reform Accounts Descriptions**

### **Credit Program Account – On-Budget:**

The Credit Program Account records the loan subsidy costs of the government that are associated with direct loans obligated and loan guarantees committed since 1992 and their related administrative expenses of the VA housing loan programs. The subsidy costs are calculated on a net present value basis. All administrative expenses are estimated on a cash basis.

### **Guaranteed Loan Financing Account – Off-Budget:**

The Guaranteed Loan Financing Account (GLFA) is a non-budgetary account that records all financial transactions to and from the government resulting from loan guarantees, committed since 1992 (including loan guarantee modifications by VA). Its primary purpose is financial tracking of each cohort year's loan activity and is not included in federal budget totals.

### **Direct Loan Financing Account – Off-Budget:**

The Direct Loan Financing Account (DLFA) is a non-budgetary account that records all financial transactions to and from the government resulting from direct loans obligated since 1992.

The DLFA primarily tracks each cohort year's loan activity (principal and interest payments, Treasury borrowing, interest paid to or received from Treasury, etc.) and is not included in the budget totals when calculating total government spending. In 2007, the DLFA began executing two distinct sub-accounts for newly acquired and vendee direct loans after 2006.

### **Loan Sales Securities Guaranteed Loan Financing Account – Off-Budget:**

The Guaranteed Loan Sales Securities Account (LSSA) was established in 1999 to record transactions from the guarantee of Vendee loans sold under the Vendee Mortgage Trust (VMT) Securitization Program. Like the DLFA and GLFA, this account's primary purpose is the financial tracking of each cohort year's loan sale activity and is not included in budget totals when calculating total government spending.

### **Liquidating Account – On-Budget:**

The Liquidating Account records all cash flows to and from the government resulting from VA direct loan obligations and loan guarantee commitments before 1992. This account is shown on a cash basis. All new VA acquired and vendee direct loan obligations in 1992 and after are recorded in the DLFA. All new VA loan guarantee commitments in 1992 and after are recorded in the GLFA.

### **Guaranteed Transitional Housing Direct Loan Financing Account – Off-Budget:**

The Guaranteed Transitional Housing Direct Loan Financing Account is a non-budgetary account that records all financial transactions to and from the government resulting from direct loan obligations. The account tracks one loan that was 100 percent guaranteed by VA and funded by the FFB. Because of this, for budgetary and financial reporting purposes, the loan is treated as a debt of VA and all its transactions are accounted for as a direct loan program.

## **Program Description**

The housing loan programs help eligible Veterans, Service members, surviving spouses, and members of the Reserves and National Guard purchase and retain homes and refinance mortgages

in recognition of their service to the Nation. When a borrower purchases a home or refinances a mortgage, the program operates by effectively substituting the Federal Government's guarantee for a down payment that might otherwise be required.

Under 38 U.S.C. 3703, the guaranty amount for a borrower with full entitlement (first-time users of the program or users whose entitlement is fully restored) is as follows:

- 50 percent for loans of \$45,000 or less,
- \$22,500 for loans greater than \$45,000, but no more than \$56,250,
- The lesser of \$36,000 or 40 percent of the loan amount for loans greater than \$56,250, but not more than \$144,000, or
- 25 percent of the loan amount for loans greater than \$144,000.

VA housing programs aim to help Veterans retain their homes and reduce the likelihood of foreclosure. VA and loan servicers take aggressive intervention actions when loans are more than 60 days in default. The benefits of assisting borrowers in default include Veterans retaining their homes and minimizing damages to their credit ratings, as well as cost savings to the government because of costs not expended for claims due to foreclosures.

VA charges upfront loan funding fees according to the fee structure authorized in 38 U.S.C. 3729. The statutory funding fee rates are stipulated in the included loan fee structure table. A person who pays a fee for a loan guaranteed or insured after December 31, 1989, or who is exempt from payment of the fee, will have no liability to VA for any loss resulting from default except in the case of fraud, misrepresentation, or bad faith. This exemption does not apply to manufactured homes under Section 3712 or to loan assumptions.

Loan guarantee borrowers can finance any loan guarantee funding fees at 30-year fixed-rate mortgage averages during the origination of the loan guarantee commitments. Some borrowers can finance any loan guarantee funding fees at adjustable interest rate averages as adjustable-rate mortgages (ARMS) or hybrid adjustable-rate mortgages (HARMS) during the origination of the loan guarantee commitments. The mortgage rates are based on the market interest rates for residential mortgages.

Eligible direct loan borrowers are not required to make loan down payments nor to pay market interest rates. Direct loans have no loan size limits. Any VA borrower, who can be a Veteran, Servicemember, Surviving Spouse, or property buyer, pays a funding fee rate of 2.250 percent of the direct loan amount unless exempt due to receipt of service-connected disability compensation, in accordance Title 38 U.S. Code, Chapter 37, section 3729(b)(2)(J), Loan Fee Table, and section 3729(c), Waiver of Fee. Housing loan guarantee and direct loan programs are supervised by VA and are administered by VA contractors.

Multiple laws have further altered the housing loan program:

- The Veterans' Benefits Act of 2010, P.L. 111-275, sections 204 and 802, provided VA with new housing program authority. Section 204 allows the housing programs to waive housing loan fees for certain Veterans with service-connected disabilities called to active service. Section 802 allows the housing program the option to purchase a VA-guaranteed loan that is modified under bankruptcy proceedings.

- The Restoring GI Bill Fairness Act of 2011, P.L. 112-26, set the loan guaranty funding fee rate for subsequent loans at 2.8 percent for 2012 only. P.L. 112-56, Section 265, enacted in November 2011, superseded P.L. 112-26 and extended 2011 loan guaranty funding fee rates from November 22, 2011, through September 30, 2016. The Honoring America’s Veterans and Caring for Camp Lejeune Families Act of 2012, P.L. 112-154, section 702(b) extended the funding fee rates through September 30, 2017, and three subsequent laws further extended the funding fee rates<sup>4</sup>.
- The Blue Water Navy Vietnam Veterans Act of 2019, P.L. 116-23, section 6(b), made several changes to the loan fee table, including temporarily increasing certain categories of loans ranging from 0.15 to 0.30 percent, effective January 1, 2020, through December 31, 2021; eliminating any difference in funding fee rates between Reservist borrowers and all other Veteran borrowers, effective January 1, 2020, and; lowering funding fee rates for Reservist borrowers after December 31, 2021. Section 6 also increased funding fee rates for one year from October 1, 2028, through September 30, 2029. Section 6(c) added a waiver of fees for service members on active duty who have received the Purple Heart and provide evidence of such award on or before the date of loan closing.
- The Ryan Kules and Paul Benne Specially Adaptive Housing Improvement Act of 2019, P.L. 116-154, extended the temporary loan fee increases put in place by P.L. 116-23 through April 6, 2023.
- The Veterans Health Care and Benefits Improvement Act of 2020, P.L. 116-315, section 2102, amended 38 U.S.C. § 3729(b) to require the Secretary to collect loan fees at the “initial loan” rate, rather than the “subsequent loan” rate, if a Veteran’s dwelling is secured by a guaranteed, insured, or direct loan under chapter 37 and is substantially damaged or destroyed by a Presidentially-declared major disaster. The initial loan fee rate will only apply if the Veteran obtains the next VA-guaranteed or VA-made loan within three years of the date on which the dwelling was substantially damaged or destroyed. Section 2103 extended the period during which VA is authorized to collect loan fees through October 1, 2030.
- The Honoring America’s Veterans and Caring for Camp Lejeune Families Act of 2012, P.L. 112-154, section 702(c), reinstated the temporary increase to the maximum guaranty amount that expired on December 31, 2011. The increase in the guaranty amount was effective August 6, 2012 through December 31, 2014.
- P.L. 116-23, Section 6, 133 Stat. 966, amended 38 U.S.C. § 3703(a)(1) by removing the guaranty loan limit for loans greater than \$144,000 (for example, the Freddie Mac Conforming Loan Limit), thereby enabling Veterans to obtain a zero down-payment loan with a 25 percent VA guarantee when they live in a high-cost area. That is, the VA loan limits were eliminated for primary residences. In previous years, borrowers were required to make down payments if they took out loans above the limits.
- P.L. 116-23, Section 7 amended 38 U.S.C. § 3731(b) by authorizing VA-designated appraisers to rely on third parties for appraisal-related information; this section also authorized VA to issue guidance to implement this section before prescribing new regulations.

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<sup>4</sup> The Veterans Access, Choice and Accountability Act of 2014, P.L. 113-146, section 704 extended the funding fee rates through September 30, 2024. The VA Choice and Quality Employment Act of 2017, P.L. 115-46, section 402, extended the funding fee rates through September 30, 2027. The VA MISSION Act, P.L. 115-182, section 508 extended the funding fee rates through September 30, 2028.

- The Protecting Affordable Mortgages for Veterans Act of 2019, P.L. 116-33, stipulated seasoning requirements for certain refinanced mortgage loans.

VA is authorized to make direct loans to severely disabled Veterans in connection with Specially Adapted Housing Grants. The maximum loan amount is \$33,000.

Veterans may also obtain guaranteed loans to buy new or used manufactured homes and to buy or improve lots for placement of manufactured homes. The guaranteed loan amount is the lesser of 40 percent of the loan amount or \$20,000. Veterans are charged a funding fee of 1 percent of the loan amount.

The Guaranteed Transitional Housing Loan program was established by P.L. 105-368, the “Veterans Benefits Enhancement Act of 1998.” In 2005, the program started as a pilot project with a goal to expand the supply of transitional housing for homeless Veterans by providing up to 15 loans with a maximum aggregate value of \$100 million. The project enforces sobriety standards and provides a wide range of supportive services, such as counseling for substance abuse and job readiness skills. The Veterans, once employed, are required to pay a moderate fee(s).

<b>Housing Loan Fee Structure</b>		
	<b>Veterans</b>	<b>Reservists</b>
<b>First Time Use</b>		
<b>Down payment</b>		
Less than 5 percent		
- October 1, 2004 until December 31, 2019	2.15%	2.40%
- January 1, 2020 through April 6, 2023	2.30%	2.30%
- April 7, 2023 through September 30, 2030	2.15%	2.15%
- On or after October 1, 2030	1.40%	1.40%
At least 5 percent but less than 10 percent		
- October 1, 2004 until December 31, 2019	1.50%	1.75%
- January 1, 2020 through April 6, 2023	1.65%	1.65%
- April 7, 2023 through September 30, 2030	1.50%	1.50%
- On or after October 1, 2030	0.75%	0.75%
10 percent or more		
- October 1, 2004 until December 31, 2019	1.25%	1.50%
- January 1, 2020 through April 6, 2023	1.40%	1.40%
- April 7, 2023 through September 30, 2030	1.25%	1.25%
- On or after October 1, 2030	0.50%	0.50%
<b>Second and Subsequent Use</b>		
<b>Down Payment</b>		
Less than 5 percent*		
- October 1, 2004 until December 31, 2019	3.30%	3.30%
- January 1, 2020 through April 6, 2023	3.60%	3.60%
- April 7, 2023 through September 30, 2030	3.30%	3.30%
- On or after October 1, 2030	1.25%	1.25%
At least 5 percent but less than 10 percent		
- October 1, 2004 until December 31, 2019	1.50%	1.75%
- January 1, 2020 through April 6, 2023	1.65%	1.65%
- April 7, 2023 through September 30, 2030	1.50%	1.50%
- On or after October 1, 2030	0.75%	0.75%
10 percent or more		
- October 1, 2004 until December 31, 2019	1.25%	1.50%
- January 1, 2020 through April 6, 2023	1.40%	1.40%
- April 7, 2023 through September 30, 2030	1.25%	1.25%
- On or after October 1, 2030	0.50%	0.50%
<b>Refinancing loans</b>		
Interest Rate Loan Reduction	0.50%	0.50%
<b>Others</b>		
Loan under section 3733(a) (Vendee financing)	2.25%	2.25%
Assumptions (a loan transfer to a new borrower)	0.50%	0.50%
Service-connected disability**	0.00%	0.00%
Purple Heart Recipients (borrowers with award evidence)	0.00%	NA

\*Cash-Out Refinance and subsequent use Less than 5-percent Down Payment have the same funding fee rates.

\*\*Service-connected Veterans are in-receipt of or eligible for service-connected disability compensation.

**Housing Liquidating and Program Accounts**  
**Summary of Appropriation Highlights**  
(dollars in thousands)

	2020 Actual	2021		2022 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
<b>Liquidating:</b>					
Program Obligations	\$1,147	\$1,600	\$999	\$873	-\$126
<b>Unobligated Balance:</b>					
Start of year	\$962	\$0	\$973	\$0	-\$973
End of year	\$973	\$0	\$0	\$0	\$0
Transfer to General Fund	-\$7,987	-\$5,360	-\$7,094	-\$4,767	\$2,327
Offsetting Collections	\$9,109	\$6,960	\$7,120	\$5,640	-\$1,480
<b>Budget Authority (net)</b>	<b>-\$7,024</b>	<b>-\$5,360</b>	<b>-\$6,121</b>	<b>-\$4,767</b>	<b>\$1,354</b>
<b>Outlays (net)</b>	<b>-\$8,028</b>	<b>-\$5,360</b>	<b>-\$5,310</b>	<b>-\$4,767</b>	<b>\$543</b>
<b>Housing Program:</b>					
<b>Loan Subsidy Obligations:</b>					
Veterans Housing Guaranteed	\$0	\$0	\$0	\$0	\$0
Veterans Housing Loan Sales	\$0	\$0	\$0	\$0	\$0
Veterans Housing Direct Acquired	\$0	\$0	\$0	\$0	\$0
Veterans Housing Direct Vendee	\$4,532	\$0	\$0	\$0	\$0
Veterans Housing Transitional Loans	\$0	\$0	\$0	\$0	\$0
<b>Loan Subsidy Modifications:</b>					
Veterans Housing Guaranteed	\$0	\$0	\$68,000	\$0	-\$68,000
<b>Upward Reestimates, including interest:</b>					
Veterans Housing Guaranteed	\$60,806	\$0	\$588,863	\$0	-\$588,863
Veterans Housing Loan Sales	\$0	\$0	\$0	\$0	\$0
Veterans Housing Direct Acquired	\$8,243	\$0	\$7,680	\$0	-\$7,680
Veterans Housing Direct Vendee	\$1,698	\$0	\$2,491	\$0	-\$2,491
<b>Administrative Expenses:</b>					
Veterans Benefits Administration	\$134,955	\$156,600	\$156,600	\$165,406	\$8,806
General Counsel	\$3,324	\$3,800	\$3,800	\$3,975	\$175
Information Technology	\$61,822	\$44,000	\$44,000	\$60,118	\$16,118
<b>Obligations</b>	<b>\$275,380</b>	<b>\$204,400</b>	<b>\$871,434</b>	<b>\$229,500</b>	<b>-\$641,934</b>
<b>Unobligated Balance:</b>					
Start of year	\$60,421	\$60,421	\$59,408	\$0	-\$59,408
Unobligated Balance Unexpired	\$0	\$0	\$0	\$0	\$0
End of year	\$59,408	\$60,421	\$0	\$0	\$0
<b>Budget Authority (net)</b>	<b>\$275,657</b>	<b>\$204,400</b>	<b>\$812,026</b>	<b>\$229,500</b>	<b>-\$582,526</b>
<b>Obligated Balance:</b>					
Start of year	\$11,268	\$11,268	\$43,921	\$0	-\$43,921
End of year	\$43,921	\$11,268	\$0	\$0	\$0
<b>Outlays (net)</b>	<b>\$242,727</b>	<b>\$204,400</b>	<b>\$915,355</b>	<b>\$229,500</b>	<b>-\$685,855</b>
<b>Total Obligations</b>	<b>\$276,528</b>	<b>\$206,000</b>	<b>\$872,432</b>	<b>\$230,373</b>	<b>-\$642,060</b>
<b>Budget Authority:</b>					
Appropriation, mandatory	\$75,279	\$0	\$599,034	\$0	-\$599,034
Appropriation, discretionary	\$200,377	\$204,400	\$204,400	\$229,500	\$25,100
Liquidating Account	-\$7,024	-\$5,360	-\$6,121	-\$4,767	\$1,354
<b>Total Budget Authority (net)</b>	<b>\$268,632</b>	<b>\$199,040</b>	<b>\$797,313</b>	<b>\$224,733</b>	<b>-\$572,580</b>
<b>Total Outlays (net)</b>	<b>\$234,699</b>	<b>\$199,040</b>	<b>\$910,045</b>	<b>\$224,733</b>	<b>-\$685,312</b>

Note: Budget authority includes funding to use VA-owned foreclosed houses, 30 properties annually, for disaster aid.



## **Detail of Budget Request – On-Budget**

In 2022, the existing liquidating loans do not require appropriations to fund their obligations because sufficient resources are available from the anticipated \$5.6 million in offsetting collections (loan principal and interest payments and home sales proceeds). The obligations are estimated at \$0.9 million, which—when netted against collections—results in a negative budget authority of \$4.7 million. The liquidating loans are all loan guarantee and direct loan originations prior to 1992.

In 2022, the budget authority of \$229.5 million is requested to fund the credit program administrative expenses of \$229.5 million. The funds are needed to finance projected increases in the program administrative workload. No subsidy appropriations are requested to fund any new loan guarantees, loan sales guarantees, direct loans, or transitional housing loan guarantees.

Loan subsidies of VA credit programs represent the estimated cost to the government of making and guaranteeing loans. Veterans' housing loans are generally for 30 years and the subsidy rates reflect the cost to the government for that 30-year period. A subsidy rate is the net present value of all cash inflows (fees, down payments, sales of inventory property, and other cash flows) less the cash outflows (claim and acquisition payments, property expenses, and other cash flows) for 30 years. The loan cash inflows and outflows are estimated annually for over 30 years.

Generally, a subsidy budget authority request is computed as the product of an estimated subsidy rate and the related loan level. A negative subsidy rate results when cash inflows exceed cash outflows of a loan portfolio; thus, government funds in the form of subsidy appropriations are not required.

## **Changes from Original 2021 Budget Estimate**

For the Credit Program Account, the current 2021 budget authority grows to \$797.3 million from the original 2021 budget estimate of \$199.0 million, or an increase of \$598.3 million. This is largely the result of updates to the upward subsidy reestimates of the loan guarantees and direct loans.

<b>Housing Liquidating and Program Accounts Analysis of Increases and Decreases - Outlays</b> (dollars in thousands)		
	<b>2021 Estimate</b>	<b>2022 Request</b>
<b>Prior Year Outlays</b>	<b>\$234,699</b>	<b>\$910,045</b>
<b>Liquidating:</b>		
Liquidating Obligations	-\$149	-\$126
Liquidating Collections	\$1,990	\$1,480
Liquidating Change in Obligated Balance	\$841	-\$811
Change in Uncollected Customer Payments	\$36	\$0
<b>Subtotal:</b>	<b>\$2,718</b>	<b>\$543</b>
<b>Housing Program:</b>		
Guaranteed Loan Subsidy	\$0	\$0
Loan Sales Securities Subsidy	\$0	\$0
Direct Acquired Loan Subsidy	\$0	\$0
Direct Vendee Loan Subsidy	-\$4,532	\$0
Transitional Housing Loan Subsidy	\$0	\$0
Loan Modification Subsidy	\$68,000	-\$68,000
<b>Subtotal:</b>	<b>\$63,468</b>	<b>-\$68,000</b>
<b>Upward Reestimates, with Interest:</b>		
Guaranteed Loans	\$528,057	-\$588,863
Loan Sales Securities	\$0	\$0
Direct Acquired Loans	-\$563	-\$7,680
Direct Vendee Loans	\$792	-\$2,491
<b>Subtotal:</b>	<b>\$528,287</b>	<b>-\$599,034</b>
Change in Obligated Balance/other	\$149,107	-\$111,921
<b>Administrative Expenses</b>	<b>\$4,299</b>	<b>\$25,100</b>
<b>Net Change</b>	<b>\$675,346</b>	<b>-\$685,312</b>
<b>Estimated Outlays (net)</b>	<b>\$910,045</b>	<b>\$224,733</b>

The 2021 net outlays of the housing programs are projected to increase by \$675.3 million from the 2020 level. This is primarily due to an increase of \$528.3 million in upward subsidy reestimates.

The 2022 net outlays of the housing programs are projected to decrease by \$685.3 million from the 2021 level. This is primarily due to a decrease of \$599.0 million in upward subsidy reestimates expenses. However, the administrative expenses are projected to increase because of program growth, resulting in a need for personnel increases and technology improvements. Reestimates for 2022 will be calculated during the 2023 President's Budget formulation; any resulting upward subsidy reestimate costs would be expected to outlay later in fiscal year 2022.

## Housing Loan Financing Accounts

### Financial Summary

(dollars in thousands)

	2020 Actual	2021		2022 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
<b>Guaranteed Loans:</b>					
Obligations	\$5,181,443	\$3,257,284	\$6,372,055	\$2,963,789	-\$3,408,266
Collections	\$4,337,576	\$3,500,938	\$5,202,747	\$4,197,289	-\$1,005,458
Financing Authority (net)	<b>-\$16,919</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Financing Disbursements (net)	<b>\$1,049,629</b>	<b>-\$248,259</b>	<b>\$1,251,264</b>	<b>-\$1,237,788</b>	<b>-\$2,489,052</b>
<b>Loan Sales Securities:</b>					
Obligations	\$21,645	\$14,416	\$84,869	\$4,093	-\$80,776
Collections	\$5,275	\$7,858	\$7,949	\$8,033	\$83
Financing Authority (net)	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Financing Disbursements (net)	<b>\$16,351</b>	<b>\$6,558</b>	<b>\$77,188</b>	<b>-\$3,940</b>	<b>-\$81,128</b>
<b>Direct Loans:</b>					
Obligations	\$97,656	\$148,366	\$127,080	\$78,846	-\$48,234
Collections	\$86,136	\$38,892	\$49,550	\$26,326	-\$23,224
Financing Authority (net)	<b>\$11,137</b>	<b>\$109,473</b>	<b>\$77,530</b>	<b>\$52,521</b>	<b>-\$25,009</b>
Financing Disbursements (net)	<b>\$17,338</b>	<b>\$109,402</b>	<b>\$81,101</b>	<b>\$52,462</b>	<b>-\$28,638</b>
<b>Transitional Housing</b>					
Obligations	\$441	\$197	\$432	\$192	-\$240
Collections	\$482	\$514	\$468	\$463	-\$6
Financing Authority (net)	<b>-\$84</b>	<b>-\$87</b>	<b>-\$92</b>	<b>-\$91</b>	<b>\$0</b>
Financing Disbursements (net)	<b>-\$41</b>	<b>-\$317</b>	<b>-\$36</b>	<b>-\$271</b>	<b>-\$235</b>
<b>Housing Financing Accounts Totals:</b>					
Obligations	\$5,301,185	\$3,420,262	\$6,584,436	\$3,046,919	-\$3,537,517
Collections	\$4,429,469	\$3,548,201	\$5,260,714	\$4,232,110	-\$1,028,605
Financing Authority (net)	<b>-\$5,867</b>	<b>\$109,386</b>	<b>\$77,438</b>	<b>\$52,429</b>	<b>-\$25,009</b>
Financing Disbursements (net)	<b>\$1,083,278</b>	<b>-\$132,615</b>	<b>\$1,409,516</b>	<b>-\$1,189,537</b>	<b>-\$2,599,053</b>

Notes: Transitory loan foreclosure effects of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) mortgage provisions are captured by 2020 actual VA foreclosures and projected future foreclosures through updates to the loan subsidy model's macroeconomic variable assumptions.

### Detail of Financing Accounts – Off-Budget

In 2022, the loan guarantees will have an estimated subsidy rate of -0.08 percent to support 968,977 new home loans with a value of \$301.0 billion. The negative subsidy rate is a function of VA loan guarantee performance data, including a high default resolution rate (DRR), and updates to budget economic assumptions.

The Veterans' Benefits Improvement Act of 2008, P.L. 110-389, extended VA's authority to guarantee adjustable-rate mortgages (ARMs) and hybrid adjustable-rate mortgages (HARMs) through September 30, 2012. The Act increased, also, the maximum guaranty amount for cash-

out refinance loan guarantees to the same maximum guaranty amount for purchase loan guarantees. The law authorized a cash-out refinance loan guarantee for up to 100 percent of an appraised home value.

The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (Sections 208 and 209) subsequently made permanent VA's authority to guarantee ARMs and HARMs.

The Veterans' Benefits Improvement Act of 2010, P.L. 111-275 (Section 204), enacted October 13, 2010, authorized the housing program to originate loan guarantees without funding fees for Veterans with service-connected disabilities who had been called to active duty.

The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (Section 206) extended the home loan guaranty entitlement to surviving spouses of certain totally disabled Veterans. The Act, for the purpose of home loan benefits, includes as a "Veteran", a surviving spouse of a Veteran who died and who was in receipt of or entitled to receive compensation, at the time of death, for a service-connected disability rated totally disabled. The surviving spouses are, also, exempt from paying the funding fee rates.

Section 207 allowed an active-duty Servicemember's dependent child to satisfy the occupancy requirement for obtaining a VA-guaranteed home loan. Previously, only a Veteran or a Veteran's spouse was able to certify the occupancy requirement in 38 U.S.C. 3704(c).

Section 210 amended 38 U.S.C. 3729(c) allows an individual to receive a loan fee waiver if, during a pre-discharge program, he or she receives a disability rating for purposes of VA compensation based on existing medical evidence, such as service medical and treatment records. This change authorizes an eligible individual to purchase a home without having to pay a VA funding fee even if he or she has not undergone a pre-discharge examination or a VA disability evaluation.

Section 702(a) reinstated VA's authority to issue, or approve the issuance of, and guarantee the timely payment of principal and interest on, certificates or other securities evidencing an interest in a pool of mortgage loans. This guaranty authority previously expired on December 31, 2011. Section 410 of the Department of Veterans Affairs Expiring Authorities Act of 2016, P.L. 114-228 extended it through December 31, 2017. Section 409 of the Department of Veterans Affairs Expiring Authorities Act of 2017, P.L. 115-62 later extended this authority through September 30, 2018. Permanent authority to guarantee principal and interest payments was authorized with Section 123 of the Department of Veterans Affairs Expiring Authorities Act of 2018, P.L. 115-251.

The National Defense Authorization Act for Fiscal Year 2021 (Section 2001), P.L. 116-315, amended various references in title 38 of the United States Code, including sections 3701, 3712, and 3729, to incorporate references to the newly established Space Force.

P.L. 116-315, Section 2001 of the Veterans Health Care and Benefits Improvement Act of 2020, amended 38 U.S.C. §101(29) to revise the definition of the Vietnam era as beginning on November 1, 1955 instead of February 28, 1961. This definition change affected the Loan Guaranty program

as 38 U.S.C. § 3702(a)(2)(A), the statute outlining basic entitlement to the program, refers to the “Vietnam era” for purposes of establishing eligibility.

In addition, Section 2101 expanded program eligibility to members of the National Guard who perform certain full-time National Guard duty (as that term is defined in section 101 of title 10) but do not qualify under prior National Guard and Reserve eligibility requirements. Specifically, individuals with 90 days cumulative qualifying service with at least one period of 30 consecutive days of qualifying service are entitled to home loan benefits regardless of whether they have completed six years of honorable service in the National Guard.

The Honoring America’s Veterans and Caring for Camp Lejeune Families Act of 2012, P.L. 112-154 (Section 710(d)), also amended Section 303(c) of the Servicemembers Civil Relief Act (SCRA) by extending the period in which a Servicemember may exercise SCRA protections from nine months after the period of service ends to 12 months. The amendments made by Section 710(d) had a sunset date of December 31, 2014, at which time the protection reverted to a 90-day period. Section 2 of the Foreclosure Relief and Extension for Servicemembers Act of 2014, P.L. 113-286, later extended the sunset date of this authority through December 31, 2015.

The VA Expiring Authorities Extension Act of 2013, P.L. 113-59, extended the requirements for vendee direct loan disbursement through September 30, 2014. Section 404 of P.L. 108-183, had earlier amended 38 U.S.C. §3733(a)(1) to increase the maximum percentage of loans which may be financed with vendee loans from 65 percent to 85 percent and to make this a percentage a mandate and not optional. Later, Section 303 of the Department of Veterans Affairs Expiring Authorities Act of 2014, P.L. 113-175, extended requirements of vendee loans through September 30, 2015. This authority was subsequently extended by P.L. 114-58 through September 30, 2016, by P.L. 114-228 through September 30, 2017, P.L. 115-62 extended authorization through September 30, 2018. Section 125 of the Department of Veterans Affairs Expiring Authorities Act of 2018, P.L. 115-251 extended authority through September 30, 2019. Section 2 of the Department of Veterans Affairs Expiring Authorities Act of 2019, P.L. 116-61 extended authority through September 30, 2020. Section 5405 of the Continuing Appropriations Act, 2021 and Other Extension Act, P.L. 116-159, extended authority through September 30, 2025. Section 5405 also amended 38 U.S.C. § 3733(a) to change VA’s mandatory financing percentages (65 percent to 85 percent) to marketing targets. (This is applicable to VA use of the Vendee program to provide government mortgage financing for the sale of a VA acquired property.)

The VA Expiring Authorities Extension Act of 2013, P.L. 113-59, extended through December 31, 2014, VA’s authority to use homes acquired through the guaranteed loan program or Homeless Shelter Program (HSP) to help provide shelter to homeless Veterans. This authority was also subsequently extended, by P.L. 113-175, through September 30, 2015, by P.L. 114-58, through September 30, 2016, and by P.L. 114-228 through September 30, 2017. That authority was not extended for 2018, and VA subsequently suspended the HSP.

The Department of Veterans Affairs Expiring Authorities Act of 2013, P.L. 113-37, extended until October 1, 2014, VA’s authority to calculate the net value of a property with a VA guaranteed loan when the loan goes into default. This authority was subsequently extended by P.L. 113-175, to October 1, 2015, by P.L. 114-58 through September 30, 2016, by P.L. 114-228 through September

30, 2017, and, pursuant to P.L. 115-62, it was extended through September 30, 2018. Permanent authority was authorized with Section 124 of the Department of Veterans Affairs Expiring Authorities Act of 2018, P.L. 115-251.

<b>Analysis of Financing Account Increases and Decreases</b>		
<b>Non-Budgetary Disbursements</b>		
(dollars in thousands)		
	<b>2021 Estimate</b>	<b>2022 Request</b>
<b>Prior Year Net Disbursements</b>	<b>\$1,083,278</b>	<b>\$1,409,516</b>
<b>Veterans Housing Financing Accounts:</b>		
<b>Guaranteed Loans:</b>		
Obligations	\$1,190,612	-\$3,408,266
Offsetting collections	-\$865,171	\$1,005,458
Change in Obligated Balances	-\$127,923	-\$86,244
Change in Uncollected Customer Payments	\$4,213	\$0
<b>Subtotal:</b>	<b>\$201,731</b>	<b>-\$2,248,052</b>
<b>Loan Sales Securities:</b>		
Obligations	\$63,224	-\$80,776
Offsetting collections	-\$2,675	-\$83
Change in Obligated Balances	\$288	-\$268
Change in Uncollected Customer Payments	\$0	\$0
<b>Subtotal:</b>	<b>\$60,837</b>	<b>-\$81,128</b>
<b>Direct Loans:</b>		
Obligations	\$29,424	-\$48,234
Offsetting collections	\$36,586	\$23,224
Change in Obligated Balances	-\$2,247	-\$3,725
Change in Uncollected Customer Payments	-\$96	\$96
Change in Prior Year Recoveries	\$0	\$0
<b>Subtotal:</b>	<b>\$63,666</b>	<b>-\$28,638</b>
<b>Transitional Housing:</b>		
Obligations	-\$9	-\$240
Offsetting collections	\$14	\$6
Change in Obligated Balances	-\$1	\$0
Change in Uncollected Customer Payments	\$0	\$0
<b>Subtotal:</b>	<b>\$4</b>	<b>-\$235</b>
<b>Net Change</b>	<b>\$326,238</b>	<b>-\$2,599,053</b>
<b>Estimated Net Disbursements</b>	<b>\$1,409,516</b>	<b>-\$1,189,537</b>

The 2021 net disbursements are projected to increase by \$326.2 million, which is primarily due to increases in loan obligations. The net disbursements for guaranteed loans are projected to increase by \$201.7 million, which is due to an increase in obligations of \$1.2 billion, an increase in

offsetting collections of \$865.2 million, and a decrease in the obligated balances of \$127.9 million. The net disbursements for loan sales securities are estimated to increase by \$60.8 million, which is due to an increase in obligations of \$63.2 million. The net disbursements for direct loans are estimated to increase by \$63.7 million, due to an increase in obligations of \$29.4 million and a decrease in offsetting collections of \$36.6 million.

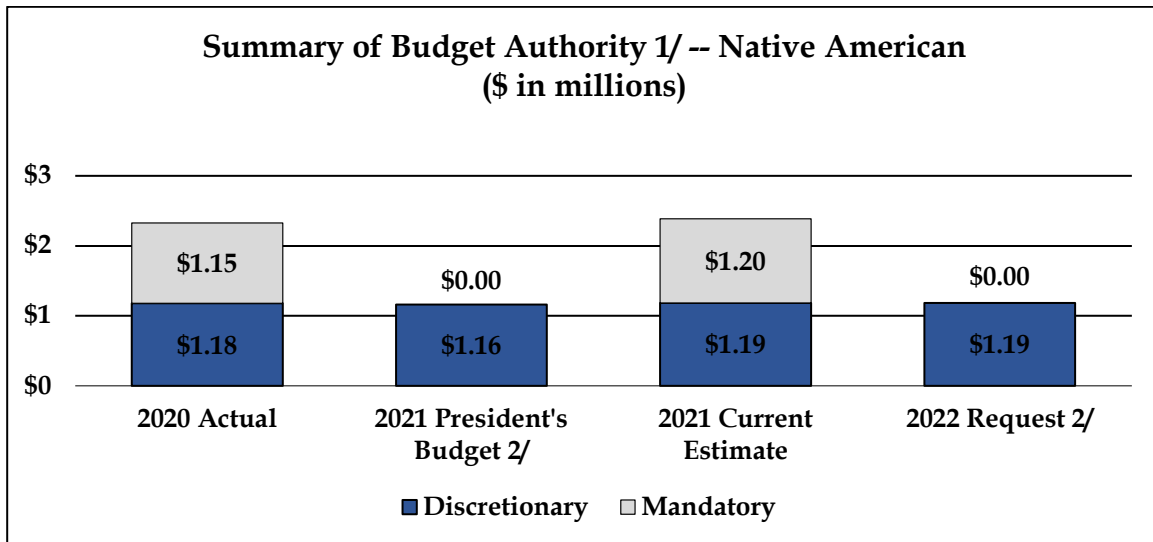
The 2022 net disbursements are projected to decrease by \$2.6 billion, which is mostly due to decreases in the obligations. The net disbursements for loan guarantees are projected to decrease by \$2.5 billion, which is due to a decrease in the obligations of \$3.4 billion and a decrease in offsetting collections of \$1.0 billion. The net disbursements for loan sales securities are projected to decrease by \$81.1 million, which is due to a decrease in obligations of \$80.8 million. The net disbursements for direct loans are projected to decrease by \$28.6 million, which is due to a decrease in obligations of \$48.2 million and a decrease in offsetting collections of \$23.2 million. The subsidy reestimates of 2022 will be calculated during 2023 President's Budget formulation in 2022.

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## *Native American Veterans Loan Program*



Notes:

1/ Budget authority is appropriations for loan administrative and subsidy expenses.

2/ The 2021 President's Budget and 2022 Request do not reflect the annual subsidy reestimates per OMB Circular No. A-11.

### **Appropriations Language**

#### **Native American Credit Program Account**

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, [\$1,186,000] *\$1,186,000*.

<b>Summary of Net 2022 Estimates</b>				
(dollars in thousands)				
	Budget Authority	Outlays	Financing Authority	Financing Disbursements
Program Account	\$1,186	\$1,186	\$0	\$0
Direct Loan Financing Account	\$0	\$0	\$9,557	\$9,269
<b>Total</b>	<b>\$1,186</b>	<b>\$1,186</b>	<b>\$9,557</b>	<b>\$9,269</b>

### **Summary of Budget Request**

The appropriations request of \$1,186,000 is to reimburse the General Operating Expenses (GOE) account of the Veterans Benefits Administration (VBA) and the Office of General Counsel (OGC) for expenses necessary to administer the Native American direct loan program. No subsidy appropriation is requested for new direct loans because the loans have an estimated negative subsidy rate in 2022. In addition, the program's unobligated indefinite subsidy budget authority brought forward as of October 1, 2020, is \$2,256,000.

### **Program Description**

The Native American Veterans direct loan program is authorized by 38 U.S.C. Chapter 37, Section 3761 to provide direct loans to Veterans living on trust lands. The loans are available to purchase, construct, or improve homes to be occupied as Veterans' residences. Effective January 1, 2020, the Blue Water Navy Vietnam Veterans Act of 2019, P.L. 116-23, section 6(a)(2) amends 38 U.S.C. § 3762 by removing the \$80,000 loan limit cap on direct housing loans made to Native American Veterans who purchase homes located on Federal trust land. Veterans pay a funding fee rate of 1.25 percent of the loan amount unless exempt due to receipt of service-connected disability compensation (loan fees under section 3729). The law also requires that, before a direct loan can be made, a Veteran's tribal organization must sign a Memorandum of Understanding with VA which provides the legal framework for lending and permits VA access to sovereign trust lands.

The program began in 1993 as a pilot under the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act of 1993, P.L. 102-389. The initial authority expired September 30, 1997, then extended by three subsequent laws<sup>5</sup>, and made permanent by the Veterans Housing Opportunity and Benefits Act of 2006, P.L. 109-233.

### **Federal Credit Reform**

The Federal Credit Reform Act of 1990, P.L. 101 508, changed the accounting for Federal credit programs to more accurately measure their costs and to make them consistent with comparable non-credit transactions. To accomplish this objective, the Native American direct loan program is managed using the Credit Program Account, which obligates appropriations to pay for loans' subsidy cost, and the non-Budgetary Direct Loan Financing Account.

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<sup>5</sup> Veterans Benefits Act of 1997, P.L. 105-114, the Veterans Education and Benefits Expansion Act, P.L. 107-103, and the Veterans Benefits Improvement Act of 2004, P.L. 108-454.

## Program Account – On-Budget

The Credit Program Account was established to receive loan subsidy appropriations for the loan financing account and request appropriations for administrative expenses to reimburse the GOE accounts of VBA and OGC. The subsidy cost is calculated on a net present value basis, and the administrative expenses are estimated on a cash basis. This account holds the unobligated balance of the original loan subsidy appropriations.

<b>Native American Direct Loan Program Account</b>					
<b>Summary of Appropriation Highlights</b>					
(dollars in thousands)					
	2020 Actual	2021		2022 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
<b>Obligations:</b>					
Upward reestimates, plus interest	\$1,149	\$0	\$1,202	\$0	-\$1,202
<b>Administrative expenses:</b>					
Veterans Benefits Administration	\$1,166	\$1,143	\$1,166	\$1,166	\$0
General Counsel	\$13	\$20	\$20	\$20	\$0
Total administrative expenses	\$1,179	\$1,163	\$1,186	\$1,186	\$0
<b>Total obligations</b>	<b>\$2,328</b>	<b>\$1,163</b>	<b>\$2,388</b>	<b>\$1,186</b>	<b>-\$1,202</b>
<b>Unobligated Balance:</b>					
Start of year	-2,277	-2,277	-2,284	-2,284	\$0
End of year	2,284	2,277	2,284	2,284	\$0
<b>Budget authority (net)</b>	<b>\$2,335</b>	<b>\$1,163</b>	<b>\$2,388</b>	<b>\$1,186</b>	<b>-\$1,202</b>
<b>Obligated Balance:</b>					
Start of year	\$0	\$0	\$0	\$0	\$0
End of year	\$0	\$0	\$0	\$0	\$0
<b>Outlays (net)</b>	<b>\$2,328</b>	<b>\$1,163</b>	<b>\$2,388</b>	<b>\$1,186</b>	<b>-\$1,202</b>
<b>Financing:</b>					
Appropriations, discretionary	\$1,186	\$1,163	\$1,186	\$1,186	\$0
Mandatory Indefinite	\$1,149	\$0	\$1,202	\$0	-\$1,202
<b>Workload:</b>					
Number of direct loans established	28	45	45	45	0
Average loan amount (dollars)	\$268,457	\$280,358	\$273,021	\$278,481	\$5,460
Amount of direct loans established	\$7,517	\$12,616	\$12,286	\$12,532	\$246
Subsidy rate, direct loans	-5.23%	-20.25%	-20.25%	-17.62%	2.63%
<b>Average Employment/FTE:</b>					
Veterans Benefits Administration	7	7	7	7	0

Note: The dollar amounts may not add due to rounding in this and subsequent tables.

## Detail of Budget Request

The direct loan subsidy reflects the portion of loan disbursements that the government does not expect to recover (that is, the cost to the government in net present value terms). The subsidy rate is calculated after discounting the estimated net cash flows of loan disbursements by comparable rates on Treasury securities. The discounted net cash value divided by the total loan disbursements equals the subsidy rate.

When the program was initiated in 1993, a positive subsidy rate was estimated based on the mortgage default rate assumptions, at the time, that were derived from other VA mortgage direct loan experience.

Funds to finance the direct loans are borrowed from the U.S. Department of the Treasury are lent at market 30-year mortgage rates; the differences between the Treasury borrowing rates and mortgage interest rates are net interest margins. Positive mortgage interest rate margins and no direct loan defaults are two factors for the loan program negative subsidy rates over the years.<sup>6</sup> Therefore, VA requests no loan subsidy appropriations for 2022 for the loan program.

To provide for origination, service, management, investment, and common overhead expenses, \$1,186,000 is required for VBA. This funding request will fund seven FTE for VBA at a cost of \$1,166,000 in payroll and non-payroll expenses. OGC will be reimbursed \$20,000 to support one FTE dedicated to this credit program.

<b>Native American Direct Loan Program Account</b>		
<b>Analysis of Increases and Decreases – Outlays</b>		
(dollars in thousands)		
	<b>2021 Current Estimate</b>	<b>2022 Estimate</b>
<b>Prior year outlays (net)</b>	<b>\$2,328</b>	<b>\$2,388</b>
<b>Increases (+) and Decreases (-)</b>		
Upward reestimates, including interest	\$53	-\$1,202
Administrative expenses	\$7	\$0
Change in obligated balance/other	\$0	\$0
<b>Net Change</b>	<b>\$60</b>	<b>-\$1,202</b>
<b>Estimated Outlays (net)</b>	<b>\$2,388</b>	<b>\$1,186</b>

The 2021 net outlays are estimated to be \$2.4 million, which is an increase of \$0.06 million from the 2020 level. The change in net outlays is primarily due to an increase in upward subsidy reestimates of \$0.05 million.

The 2022 net outlays are estimated to be \$1.1 million, which is a decrease of \$1.2 million from the 2021 level. The change in outlays is primarily due to a decrease in subsidy estimates. The upward reestimates for 2022 will not be calculated until the 2023 President’s Budget formulation.

### **Direct Loan Financing Account – Off-Budget**

The Direct Loan Financing Account is an off-budget account that records all financial transactions (that is, obligations, collections, and outlays associated with direct loan originations). This account is used primarily for the financial tracking of each cohort year's loan activity and is not included in the budget totals when calculating total government spending.

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<sup>6</sup> Mortgage portfolios’ 30-year fixed mortgage rate assumptions drive the direct loan portfolio subsidy rates.

<b>Native American Direct Loan Financing Account</b>					
<b>Financial Summary</b>					
(dollars in thousands)					
	<b>2020 Actual</b>	<b>2021</b>		<b>2022 Request</b>	<b>Increase (+) Decrease (-)</b>
		<b>Budget Estimate</b>	<b>Current Estimate</b>		
<b>Obligations:</b>					
Direct loans	\$7,389	\$12,616	\$12,286	\$12,532	\$246
Negative subsidy	\$393	\$2,554	\$2,488	\$2,208	-\$279
Interest on Treasury borrowing	\$2,741	\$3,131	\$2,432	\$2,655	\$223
Property expenses	-\$254	\$238	\$238	\$283	\$45
Other Expenses	\$0	\$0	\$0	\$0	\$0
<b>Treasury Receipt account:</b>					
Downward Reestimates	\$397	\$0	\$682	\$0	-\$682
Interest on Downward Reestimates	\$125	\$0	\$113	\$0	-\$113
<b>Total obligations</b>	<b>\$10,791</b>	<b>\$18,540</b>	<b>\$18,238</b>	<b>\$17,677</b>	<b>-\$561</b>
<b>Unobligated Balance:</b>					
Start of year	\$3,836	\$3,836	\$9,642	\$9,642	\$0
End of year	\$9,642	\$3,836	\$9,642	\$9,642	\$0
<b>Obligated Balance:</b>					
Start of year	\$681	\$0	\$1,881	\$0	-\$1,881
End of year	\$1,881	\$299	\$0	\$287	\$287
<b>Offsetting Collections:</b>					
Program account payments	\$1,149	\$0	\$1,202	\$0	-\$1,202
Interest on Uninvested funds	\$561	\$0	\$0	\$0	\$0
Loan repayments	\$4,598	\$3,204	\$4,513	\$4,820	\$307
Interest received on loans	\$2,295	\$3,360	\$2,972	\$3,183	\$211
Fees	\$35	\$63	\$55	\$63	\$8
Other	\$14	\$34	\$45	\$54	\$10
<b>Total offsetting collections</b>	<b>\$8,653</b>	<b>\$6,661</b>	<b>\$8,788</b>	<b>\$8,121</b>	<b>-\$667</b>
<b>Financing:</b>					
Financing authority, net	\$10,626	\$11,879	\$9,450	\$9,557	\$106
Financing disbursements, net	\$803	\$11,581	\$11,332	\$9,269	-\$2,062

### Summary of Off-Budget Financing Account

The total obligations are estimated to be \$17.7 million for 2022, which supports 45 new direct loan originations with a value of \$12.5 million and a subsidy rate of negative 17.62 percent. The obligations also reflect interest on the U.S. Treasury borrowing of \$2.7 million and negative subsidy of \$2.2 million. The interest on the U.S. Treasury borrowing is computed based on average financing authority net of offsetting collections and the interest rate calculator provided by the Office of Management and Budget (OMB).

Total offsetting collections in 2022 are estimated to be \$8.1 million, including \$4.8 million in repayments and prepayments of principal and \$3.1 million in interest payments. The offsetting collections are estimated to be \$0.7 million lower in 2022 than in 2021 because of a decrease in payments of \$1.2 million from the Credit Program Account.

## Changes from Original 2021 Budget Estimate

The current estimate for 2021 obligations shows a decrease of \$0.3 million from the original 2021 budget estimate primarily because of a decrease of \$0.3 million in direct loans, a decrease of \$0.7 million in interest on the U.S. Treasury borrowing, and an offsetting increase of \$0.8 in downward reestimates.

<b>Native American Direct Loan Financing Account</b>		
<b>Analysis of Increases and Decreases – Outlays</b>		
(dollars in thousands)		
	<b>2021</b>	<b>2022</b>
	<b>Current Estimate</b>	<b>Estimate</b>
<b>Prior year outlays (net)</b>	<b>\$803</b>	<b>\$11,332</b>
<b>Increases (+) and Decreases (-)</b>		
<b>Obligations:</b>		
Direct loans	\$4,897	\$246
Negative Subsidy	\$2,095	-\$279
Interest on Treasury borrowing	-\$309	\$223
Property Expenses	\$492	\$45
Other Expenses	\$0	\$0
<b>Payments to Treasury Receipt account:</b>		
Downward Reestimates	\$285	-\$682
Int. on Downward Reestimates	-\$13	-\$113
<b>Subtotal Obligations</b>	<b>\$7,447</b>	<b>-\$561</b>
<b>Offsetting collections:</b>		
Program account payments	-\$53	\$1,202
Interest on Uninvested funds	\$561	\$0
Loan repayments	\$85	-\$307
Interest received on loans	-\$677	-\$211
Fees	-\$20	-\$8
Other	-\$31	-\$10
Change in obligated balances	\$3,082	-\$2,169
Change in Uncollected Customer Payments	\$136	\$0
<b>Subtotal Offsetting Collections and Other</b>	<b>\$1</b>	<b>\$667</b>
<b>Net Change</b>	<b>\$10,529</b>	<b>-\$2,062</b>
<b>Estimated Outlays (net)</b>	<b>\$11,332</b>	<b>\$9,269</b>

The 2021 net outlays are estimated to be \$11.3 million, an increase of \$10.5 million from the 2020 level. The net outlay change primarily is due to an increase in obligations of \$7.4 million, and a change in obligated balances of \$3.1 million. The net obligations are estimated to increase by \$7.4 million due to increases in direct loans of \$4.9 million and negative subsidy of \$2.1 million. The change in obligated balances is estimated to decrease by \$3.1 million. The net offsetting collections are estimated to increase by \$1,000.

The 2022 net outlays are estimated to be \$9.3 million, which is a decrease of \$2.1 million from the 2021 level. The net outlay change is due to a decrease in the net obligations of \$0.6 million and a change in obligated balances increase of \$2.2 million. The decrease in the net obligations of \$0.6

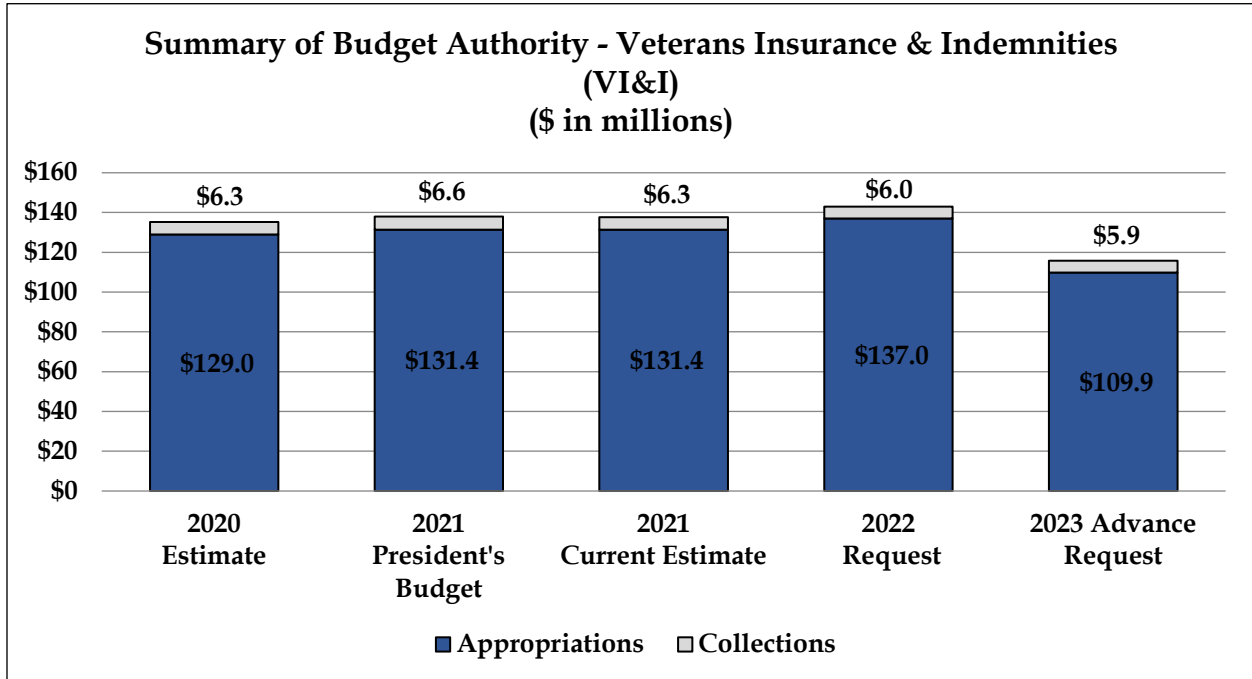
million primarily results from decreases in negative subsidy of \$0.3 million, and downward subsidy reestimates of \$0.8 million. The decrease in the net offsetting collections of \$0.7 million is primarily due to decreases in payments of \$1.2 million from the Credit Program Account. The change in obligated balances is estimated to increase by \$2.2 million. The downward and upward subsidy reestimates of 2022 will not be calculated until during the 2023 President's Budget formulation.

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## *Insurance Benefits*



Note: For the 2022 Request, combined appropriations of \$137.0 million and collections of \$6.0 million will fund total obligations of \$143.0 million. For 2023, combined appropriations of \$109.9 million and collections of \$5.9 million will fund obligations of \$115.8 million. The program is projected to require less appropriation transfers in 2023 as compared to 2022 as a result of a projected unobligated balance carried forward from prior years.

### **Appropriations Language**

#### **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 chapters 19 and 21, of title 38, United States Code \$109,865,000 shall become available on October 1, 2022 to remain available until expended.*

## Insurance Summary of Appropriation Highlights

(dollars in thousands)

	2021				
	2020 Actual	Budget Estimate	Current Estimate	2022 Request	2023 Request
<b>Mandatory</b>					
<b>Lives Insured:</b>					
Veterans (Administered Programs)	429,070	401,751	396,179	368,607	831,742
Veterans (VGLI)	437,549	427,200	438,700	439,800	440,900
Servicemembers (SGLI)	2,165,500	2,221,500	2,165,500	2,165,500	2,165,500
Spouses and Children (FSGLI)	2,599,000	2,752,000	2,599,000	2,599,000	2,599,000
<b>Total Lives Insured (#)</b>	<b>5,631,119</b>	<b>5,802,451</b>	<b>5,599,379</b>	<b>5,572,907</b>	<b>6,037,142</b>
<b>Face Amount In Force (\$)</b>	<b>\$1,189,648,777</b>	<b>\$1,218,705,330</b>	<b>\$1,191,025,850</b>	<b>\$1,193,089,060</b>	<b>\$1,207,862,210</b>
<b>Obligations:</b>					
Death Claims	\$675,566	\$627,030	\$628,180	\$552,600	\$484,480
Dividends	40,951	47,241	30,335	21,930	17,840
Premiums Paid to Primary Insurer	597,245	671,760	210,376	660,299	660,151
Transfers to Insurance Funds	94,830	96,672	90,493	104,680	74,335
Payments for Administrative Expenses	42,177	43,207	53,310	53,658	53,957
Capital Investments	33,098	43,190	39,540	39,460	39,230
All Other Obligations	186,032	159,984	175,817	155,092	138,810
<b>Total Mandatory Obligations</b>	<b>\$1,669,899</b>	<b>\$1,689,084</b>	<b>\$1,228,051</b>	<b>\$1,587,719</b>	<b>\$1,468,803</b>
<b>Funding:</b>					
<b>Offsetting Collections</b>					
Premiums	\$95,784	\$89,520	\$92,700	\$88,470	\$536,170
SGLI Premiums	650,801	674,360	663,210	663,210	663,210
Interest on U.S. Securities	64,855	93,660	65,260	72,970	78,200
Payments for S-DVI	94,000	96,632	90,473	104,660	74,315
Extra Hazard Payments	800	0	0	0	0
Cash Transfers from Primary Insurer	900,000	800,000	800,000	600,000	500,000
All Other Collections	74,005	69,980	72,802	69,849	66,324
<b>Total Collections</b>	<b>\$1,880,245</b>	<b>\$1,824,152</b>	<b>\$1,784,445</b>	<b>\$1,599,159</b>	<b>\$1,918,219</b>
<b>Unobligated balance (SOY)</b>	<b>-\$3,223,978</b>	<b>-\$3,405,768</b>	<b>-\$3,681,499</b>	<b>-\$4,457,266</b>	<b>-\$4,667,625</b>
<b>Unobligated balance (EOY)</b>	<b>\$3,631,768</b>	<b>\$3,765,487</b>	<b>\$4,410,931</b>	<b>\$4,618,720</b>	<b>\$4,822,047</b>
<b>Budget Authority, net:</b>					
Insurance Benefit (VI&I)	\$128,960	\$131,372	\$131,372	\$136,950	\$109,865
Transfer From C&P	\$0	\$0	\$0	\$0	\$0
Trust Funds	\$525,814	\$448,792	\$456,553	\$363,248	\$278,397
<b>Total Mandatory:</b>					
<b>Budget Authority (net)</b>	<b>\$654,774</b>	<b>\$580,164</b>	<b>\$587,925</b>	<b>\$500,198</b>	<b>\$388,262</b>
<b>Outlays (net)</b>	<b>-\$82,334</b>	<b>\$27,223</b>	<b>-\$411,116</b>	<b>\$134,750</b>	<b>-\$318,473</b>

<sup>1</sup> The Insurance program depicts lives insured rather than showing the number of policies. This more accurately reflects the population Insurance serves and the true scope of the insurance programs, because some Veterans in our administered programs have more than one policy, and because our supervised programs (SGLI, FSGLI, and VGLI) are in fact only one "group policy".

Note: Dollars may not add due to rounding in this and subsequent charts.

## **Summary of Budget Request**

The Insurance business line administers six life insurance programs, including two trust funds, two public enterprise funds, a trust revolving fund, and Veterans' Mortgage Life Insurance (VMLI). Additionally, the Insurance business line oversees the Servicemembers' Group Life Insurance (SGLI) portfolio of four programs, which is administered by a private insurance carrier, i.e., Primary Insurer, pursuant to a group insurance policy, for the benefit of Veterans, Servicemembers, and their families.

Budget authority (permanent and indefinite) is made available automatically to the United States Government Life Insurance (USGLI) and the National Service Life Insurance (NSLI) funds each year by virtue of standing legislation. All obligations of the Veterans' Special Life Insurance (VSLI) and Veterans' Reopened Insurance (VRI) funds are paid from offsetting collections and redemption of investments in U.S. Treasury securities. All obligations of the Service-Disabled Veterans' Insurance (S-DVI) fund are paid by transfers from the Veterans Insurance and Indemnities (VI&I) fund and other offsetting collections. No action by Congress is required for the transfers. Obligations of the SGLI program are financed from premium collections, interest on investments, and extra hazard payments from service branches.

In 2022, the VI&I account will require an appropriation of \$137.0 million to finance its operation. This will enable VA to transfer \$104.7 million to the S-DVI program, \$32.3 million to the VMLI program, and \$20,000 to the NSLI program. The budget request also includes advance appropriation estimates. In 2023, based on VA's current insurance modeling projections, VI&I will require \$109.9 million to finance its operation, which will allow for the \$74.3 million transfer to the S-DVI program, \$35.5 million to the VMLI program, and \$20,000 to the NSLI program. The S-DVI program is projected to require less appropriation transfers in 2023 as compared to 2022 as a result of a projected unobligated balance carried forward from prior years.

## **Changes from Original 2021 Budget Estimate**

The 2021 current estimate for total obligations decreased by \$461.0 million from the original 2021 estimate. The decrease in total obligations is mainly attributed to technical re-estimates of SGLI Premiums Paid to the Primary Insurer and re-estimates of Dividends in VA's in-house administered programs, as detailed below.

For the SGLI program, 38 U.S.C. section 1971(e) requires the Primary Insurer to hold sufficient funds in the SGLI Contingency Reserve to provide for adverse fluctuations in future charges under the policy. By law, VA must deposit funds that exceed this amount in a revolving fund held by VA to support the program. Based on VA's current valuation of the SGLI Contingency Reserve, VA has determined that a \$450 million reduction is warranted in 2021. To effectuate said reduction, premiums otherwise payable to the Primary Insurer will be deposited in the revolving fund held by VA to support the program, thus decreasing obligations. In addition, Premiums Paid to the Primary Insurer decreased from the original 2021 estimate as a result of technical re-estimates of the total number of lives insured under the SGLI program.

Offsetting collections in 2021 are projected to decrease by \$39.7 million from the original 2021 estimate, mainly as a result of a decrease in the projected SGLI premium collections resulting from

the change in the total projected lives insured under the SGLI program, and lower interest on U.S. Securities due to decreases in interest rates.

<b>Insurance</b>		
<b>Analysis of Increases and Decreases - Outlays</b>		
(dollars in thousands)		
<b>Mandatory</b>	2021 Current Estimate	2022 Request
Prior Year Outlays	-\$82,334	-\$411,116
<b>Increases (+) and decreases (-)</b>		
Death Claims	-47,386	-75,580
Dividends	-10,616	-8,405
Premiums Paid to Prudential	-386,869	+449,923
Transfers to Insurance Funds	-4,337	+14,187
Payments for Administrative Expenses	+11,133	+348
Capital Investments	+6,442	-80
All Other Obligations	-10,215	-20,725
Premiums	+3,084	+4,230
SGLI Premiums	-12,409	+0
Interest on U.S. Securities	-405	-7,710
Payments From VI&I	+3,527	-14,187
Extra Hazard Payments	+800	+0
Cash Transfers from Primary Insurer	+100,000	+200,000
Prior Year Recoveries	+1,203	+2,954
All Other Collections	+6,577	+0
Change in Obligated Balance	+10,690	+910
<b>Net Change</b>	<b>-\$328,782</b>	<b>\$545,865</b>
Estimated Outlays (net)	-\$411,116	\$134,750

In 2021, Net Outlays decrease from the prior year by \$411.6 million. The decrease is mainly a result of a decrease in the Premiums Paid to the Primary Insurer, referenced above. Death Claims, Dividends, and Matured Endowments and Cash Surrenders included in All Other Obligations also decrease from the prior year. The decreases in outlays are partly offset by a decrease in the scheduled collection of Cash Transfers from the Primary Insurer.

In 2022, Net Outlays increase from the prior year by \$134.8 million. The increase is mainly attributed to an increase in Premiums Paid to Primary Insurer and the decrease in the scheduled Cash Transfers from Primary Insurer. These increases to outlays are partly offset by decreases in Death Claims, Dividends, and Matured Endowments and Cash Surrenders included in All Other Obligations.

Premiums Paid to the Primary Insurer decrease in 2021 as a result of the SGLI Contingency Reserve transfer that is scheduled to be recouped from SGLI and FSGLI premiums received in 2021 (discussed above).

Cash Transfers from Primary Insurer are for the VGLI Reserve. In 2019, VA determined that \$3.4 billion, representing the entirety of funds contained in the VGLI Reserve fund held by the Primary Insurer, warrants transfer to VA's Revolving Fund (38 U.S.C. § 1971(e) and § 1977(f)). The scheduled transfers began in 2019 and is projected to decrease each year from 2020 until 2024, until the full \$3.4 billion has been transferred. The transfer is scheduled over six years (on a quarterly basis) to mitigate risk.

The decrease in Death Claims, Cash Surrenders, and Matured Endowments is due to the projected decline in the total number of policies due to death and maturity.

<b>SUMMARY OF INSURANCE PROGRAMS 2022</b>											
<b>(dollars in millions unless otherwise noted)</b>											
	<b>VI&amp;I (VMLI)</b>	<b>USGLI (WWI)</b>	<b>NSLI (WWII)</b>	<b>SDVI (Open)</b>	<b>New Ins (5)</b>	<b>VRI (WWII- Korean)</b>	<b>VSLI (Korean)</b>	<b>SGLI (Open)</b>	<b>Family SGLI (Open)</b>	<b>VGLI (Open)</b>	<b>TOTAL</b>
Beginning date	08/11/1971	01/01/1919	10/08/1940	04/25/1951	01/01/23	05/01/1965	04/25/1951	09/29/1965	11/01/2001	08/01/1974	
Closing date	Open to New Iss.	04/24/1951	04/24/1951	Open to New Iss.		05/01/1966	12/31/1956	Open to New Iss.	Open to New Iss.	Open to New Iss.	
Number of lives insured	2,610	0	60,206	256,627	-	2,599	46,565	2,165,500	2,599,000	439,800	5,572,907
<b>Number of Policies Inforce</b>											
5-year term	2,610	n/a	16,260	55,110	-	n/a	3,030	n/a	n/a	n/a	77,010
Permanent plans	n/a	0	51,085	230,337	-	2,907	48,925	n/a	n/a	n/a	333,253
<b>Total number of policies in force</b>	<b>2,610</b>	<b>0</b>	<b>67,345</b>	<b>285,447</b>	<b>-</b>	<b>2,907</b>	<b>51,955</b>	<b>2,165,500</b>	<b>2,599,000</b>	<b>439,800</b>	<b>5,614,563</b>
<b>Total value inforce (1)</b>	<b>\$381</b>	<b>\$0</b>	<b>\$840</b>	<b>\$3,021</b>	<b>-</b>	<b>\$38</b>	<b>\$783</b>	<b>\$994,485</b>	<b>\$107,867</b>	<b>\$85,674</b>	<b>\$1,193,089</b>
Average amount per policy (2)	\$145,977	\$0	\$12,473	\$10,583	-	\$13,074	\$15,071	\$459,240	\$41,503	\$194,802	
Average age	59.2	100.6	92.5	64.1	-	92.9	89.9	29.8	33.6 (3)	54.8	

(1) The total value of inforce includes paid-up additional insurance; USGLI total value inforce as of the end of 2020 is projected at zero due to policies endowment; SGLI includes Traumatic Injury Protection Coverage.

(2) The average amount of insurance is represented in whole numbers.

(3) Average age for spouses only.

(4) Average annual death rate for spouses only.

(5) Formal program name has not been assigned.

## **Veterans Insurance and Indemnities Appropriations**

The VI&I appropriation is the funding mechanism for several government life insurance activities. Payments made from this fund include transfers to the S-DVI and the NSLI funds to support these programs. Also included under the VI&I appropriation is the VMLI program.

The largest category of obligations is the subsidy provided to the S-DVI fund to support that program. The S-DVI program is designed to operate using government subsidies as it provides coverage for Veterans with service-connected disabilities. In addition, the smallest portion of the subsidy is transferred to the NSLI fund account for the premiums that were waived when the Veterans' disability was caused by the extra hazards of military service. By law, these extra hazard costs are borne by the government in the NSLI program.

The other category of VI&I obligations is the subsidy provided to support the VMLI program. The VMLI program requires a subsidy by design and provides up to \$200,000 of mortgage protection life insurance to Veterans who have received a grant for specially adapted housing.

## **Program Funds Overview**

Five administered insurance programs operate in a manner similar to one another, though created at separate times. These five programs are USGLI, NSLI, S-DVI, VRI, and VSLI. The maximum amount of basic coverage available under any of these programs is \$10,000. However, under the NSLI, VRI, and VSLI programs, policyholders can purchase additional protection by electing to use their dividends to buy paid up additional (PUA) insurance. Also, under the S-DVI program, supplemental coverage is available to policyholders who are eligible for waiver of premiums due to total disability.

Insurance Service also supervises the SGLI programs which offers group coverage for Servicemembers, families, and Veterans. The SGLI program is administered by a private insurer.

### **United States Government Life Insurance – Trust Fund**

USGLI was established in 1919 as a successor to the War Risk Insurance program. The program was closed to new policy issuance on October 8, 1940, except for World War I Veterans who could apply for coverage until April 25, 1951. This program is self-supporting. As of the end of 2020, the USGLI program will no longer have any policyholders as all insureds will have reached the policy maturity age resulting in the endowment of all remaining policies. The program will, however, continue to disburse insurance annuity benefits to beneficiaries.

### **National Service Life Insurance – Trust Fund**

NSLI was created on October 8, 1940, to handle the insurance needs of World War II service personnel. Policies were issued from 1940 until April 25, 1951. The program is self-supporting, except for the cost of claims traceable to the extra hazards of service in the armed forces.

### **Service-Disabled Veterans' Insurance - Public Enterprise Fund**

S-DVI was established on April 25, 1951 and is still open to new policy issuances. S-DVI is open to Veterans separated from service, under other than dishonorable conditions on or after April 25, 1951, who are approved for service-connected disability ratings of zero percent or greater. S-DVI policyholders who are eligible for waiver of premiums can purchase up to an additional \$30,000

in coverage at standard rates, based on their current age. No waiver of premiums can be granted on the supplemental coverage.

As authorized by the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, Public Law 116-315, the Service-Disabled Veterans Insurance (S-DVI) program will be closed to new enrollment on December 31, 2022. Veterans insured under the existing S-DVI program will have the option to convert their current insurance to the new program or remain in the S-DVI program.

### **New VA Life Insurance (VALI) Program Established by Public Law 116-315**

Public Law 116-315 replaces S-DVI with a new insurance program (VALI) of guaranteed issue whole life coverage that will be effective January 1, 2023. The new program will provide Veterans with assurance that their families will be taken care of financially after their death in coverage amounts from \$10,000 to \$40,000. The new program will expand insurance eligibility to all service-disabled Veterans under age 81 without medical underwriting.

### **Veterans' Reopened Insurance – Public Enterprise Fund**

Policies in the VRI program were issued during a re-opening of the NSLI program from May 1, 1965, through May 2, 1966. This program made life insurance available to certain World War II and Korean Conflict Veterans who met the eligibility requirements. By law, the VRI program is self-supporting, and funds are transferred annually from the VRI fund to the General Operating Expenses account to cover the cost of operations.

### **Veterans' Special Life Insurance - Trust Revolving Fund**

VSLI was established in 1951 to meet the insurance needs of Veterans who served during the Korean War and the post-Korean War period. Individuals separating from service between April 25, 1951, and January 1, 1957, had 120 days to apply for VSLI. This program is self-supporting.

**Servicemembers' Group Life Insurance - Public Enterprise Fund** - Includes Servicemembers' Group Life Insurance (SGLI), Veterans' Group Life Insurance<sup>7</sup> (VGLI), Family Servicemembers' Group Life Insurance (FSGLI), and Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI).

The SGLI program provides low-cost group life insurance protection to persons on active duty in the military service, ready reservists, members of the Coast Guard, the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service, cadets and midshipmen of the service academies, members of the Reserve Officer Training Corps, and members who volunteer for assignment to a mobilization category in the Individual Ready Reserve. The maximum amount of SGLI coverage for all Servicemembers is \$400,000. Service personnel separated from active duty and the reserves have the right to convert their SGLI coverage to renewable term insurance coverage offered by the VGLI program or to an individual permanent plan commercial life insurance policy. VGLI insureds may convert their coverage to an individual permanent plan commercial policy at any time. SGLI also offers FSGLI coverage for a

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<sup>7</sup> VGLI is a conversion option for SGLI insurance carried by Servicemembers. Primary Insurer administers the program under a contractual agreement, which is supervised by VA. The financial operation of the program is handled by the Primary Insurer and is, therefore, not included in the Insurance budget.

Servicemember's spouse and children if the Servicemember is on active duty or a member of the Ready Reserve of a uniformed service. Maximum coverage for spouses is \$100,000 or the amount of the Servicemember's SGLI, whichever is less. Unlike SGLI, spouses' premiums are age-based. All dependent children are insured for \$10,000 at no charge. Spouses may convert their FSGLI coverage to an individual permanent plan life insurance policy within 120 days of certain "termination of FSGLI coverage" events. The conversion option is not available to children.

The SGLI program is supervised by VA and administered, pursuant to a group insurance policy, by a private insurance carrier. The branches of service collect premiums from members of each of the uniformed services and forward the funds to VA. VA disburses those funds to the primary insurer for the payment of claims and administrative expenses. SGLI premiums also fund VA's discretionary expenses associated with supervision activities. The SGLI program is entirely self-supporting, except for any costs resulting from excess mortality traceable to the extra hazard of duty in the uniformed services. On July 1, 2019, the monthly SGLI premium rate decreased to \$.06 per \$1,000 of insurance coverage from \$.07 per \$1,000 of insurance coverage. VA periodically reviews premium rates across all programs to retain Veterans and Service members' trust and provide benefits that honors their service.

TSGLI is a traumatic injury protection rider under SGLI that provides for payment between \$25,000 and \$100,000 (depending on the type of injury) to any member of the uniformed services covered by SGLI who sustains a traumatic injury that results in certain severe losses. The premium charged for this coverage is \$1 per month from each Servicemember insured under SGLI. TSGLI also contains a retroactive provision that provides TSGLI coverage to Servicemembers who suffered a qualifying loss on or after October 7, 2001, and through and including November 30, 2005. A Year-Ten Review of the TSGLI program was conducted that will expand eligibility and clarify definitions for the TSGLI program.



## *Highlights by Account*

(dollars in thousands)

	2020 Actual	2021 Current Estimate	2022 Request	2023 Request
<b>Obligations</b>				
USGLI	171	\$154	\$143	\$131
NSLI	559,896	484,141	390,063	303,070
SDVI	172,232	197,860	204,700	204,300
VRI	18,434	15,883	12,563	9,626
VSLI	185,343	181,360	169,070	153,230
VALI				19,481
SGLI	600,276	213,210	663,210	663,210
VI&I	133,548	135,443	147,970	115,755
<b>Total obligations</b>	<b>1,669,899</b>	<b>\$1,228,051</b>	<b>\$1,587,719</b>	<b>\$1,468,803</b>
<b>Budget authority (gross)</b>				
USGLI	170	\$154	\$143	\$131
NSLI	554,337	484,141	390,063	303,070
SDVI	199,916	194,463	207,270	175,395
VRI	3,907	4,250	3,340	2,660
VSLI	78,526	71,430	59,540	48,270
VALI				452,430
SGLI	1,562,612	1,480,300	1,296,030	1,208,770
VI&I	135,550	137,632	142,970	115,755
<b>Total budget authority (gross)</b>	<b>2,535,018</b>	<b>\$2,372,370</b>	<b>\$2,099,356</b>	<b>\$2,306,481</b>
<b>Outlays (gross)</b>				
USGLI	206	\$260	\$213	\$191
NSLI	653,891	579,042	493,633	389,840
SDVI	173,317	188,136	204,730	204,340
VRI	22,283	19,081	15,383	11,896
VSLI	216,871	226,314	206,000	189,850
VALI				19,481
SGLI	600,276	218,402	665,979	668,393
VI&I	132,130	142,095	147,970	115,755
<b>Total outlays (gross)</b>	<b>1,798,973</b>	<b>\$1,373,329</b>	<b>\$1,733,908</b>	<b>\$1,599,746</b>
<b>Offsetting collections</b>				
USGLI	-	\$0	\$0	\$0
NSLI	28,694	27,742	26,959	24,804
SDVI	199,916	194,463	207,270	175,395
VRI	3,907	4,250	3,340	2,660
VSLI	78,526	71,430	59,540	48,270
VALI				452,430
SGLI	1,562,612	1,480,300	1,296,030	1,208,770
VI&I	6,590	6,260	6,020	5,890
<b>Total offsetting collections</b>	<b>1,880,245</b>	<b>\$1,784,445</b>	<b>\$1,599,159</b>	<b>\$1,918,219</b>

## **Highlights by Account**

(dollars in thousands)

	2020 Actuals	2021 Current Estimate	2022 Request	2023 Request
<b>Budget authority (net)</b>				
USGLI	170	\$154	\$143	\$131
NSLI	525,644	456,399	363,105	278,266
SDVI	-	0	0	0
VRI	-	0	0	0
VSLI	-	0	0	0
VALI				0
SGLI	-	0	0	0
VI&I	128,960	131,372	136,950	109,865
<b>Total budget authority (net)</b>	<b>654,774</b>	<b>\$587,925</b>	<b>\$500,198</b>	<b>\$388,262</b>
<b>Outlays (net)</b>				
USGLI	\$206	\$260	\$213	\$191
NSLI	625,194	551,300	466,675	365,036
SDVI	(26,602)	(6,327)	(2,540)	28,945
VRI	18,147	14,831	12,043	9,236
VSLI	136,373	154,884	146,460	141,580
VALI				(432,949)
SGLI	(961,192)	(1,261,898)	(630,051)	(540,377)
VI&I	125,540	135,835	141,950	109,865
<b>Total outlays (net)</b>	<b>(82,334)</b>	<b>\$-411,116</b>	<b>\$134,750</b>	<b>\$-318,473</b>
<b>Number of lives insured</b>				
USGLI	4	0	0	0
NSLI	108,454	81,721	60,206	42,688
SDVI	250,570	253,853	256,627	258,895
VRI	4,329	3,379	2,599	1,969
VSLI	63,143	54,646	46,565	38,330
VALI				487,210
SGLI	2,165,500	2,165,500	2,165,500	2,165,500
FSGLI	2,599,000	2,599,000	2,599,000	2,599,000
VGLI	437,549	438,700	439,800	440,900
VI&I	2,570	2,580	2,610	2,650
<b>Total number of lives insured</b>	<b>5,631,119</b>	<b>5,599,379</b>	<b>5,572,907</b>	<b>6,037,142</b>
<b>Dividends</b>				
USGLI	0	\$0	\$0	\$0
NSLI	26,678	18,325	13,050	10,290
VRI	929	840	660	570
VSLI	13,343	11,170	8,220	6,980
<b>Total Dividends</b>	<b>40,951</b>	<b>\$30,335</b>	<b>\$21,930</b>	<b>\$17,840</b>

Note: The table totals may differ from OMB MAX totals due to rounding



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## *Filipino Veterans Equity Compensation Fund*

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### **Program Description**

The Filipino Veterans Equity Compensation (FVEC) Fund was established under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009, P.L. 110-329 to make payments to eligible persons who served in the Philippines during World War II. The release of a one-time, lump-sum payment to eligible World War II Filipino Veterans was subsequently authorized and appropriated by Congress in the American Recovery and Reinvestment Act of 2009, P.L. 111-5. These payments are made from the FVEC Fund, originally resourced with a \$198,000,000 appropriation (available until expended) established for this purpose. The FVEC Fund currently has \$55.6 million available.

In 2009, \$82,438,000 was obligated, and by the third quarter of 2010, it was evident that obligations would exceed the original appropriation. VA concluded that an additional \$67 million would be sufficient to meet the most likely final financial obligation needs of the fund. Congress provided authority to transfer up to \$67 million in unobligated balances from bid savings from the Major Construction account for 2010 or prior years in section 901 of the Supplemental Appropriations Act, 2010, P.L. 111-212. The Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019, P.L. 115-244, Division C, Title II, section 241 prohibits VA from transferring any amount from the FVEC Fund to any other account in the Treasury of the United States.

To consider a claim for this one-time, lump-sum payment, the Veterans Benefits Administration (VBA) had to receive an application from an eligible Filipino Veteran for this benefit no later than February 16, 2010. Claims had to be made by the Veteran; no other parties were eligible to file a claim for this benefit. In the event an eligible Veteran dies after applying for the benefit, but before receiving the payment, the payment may be made to the surviving spouse. No other family members may receive this payment.

### **Eligibility**

Those eligible for the program include the following:

- Persons who served before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces of the United States;
- Members of the organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States; and
- Persons who served in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945. All persons must have been discharged or released from service under conditions other than dishonorable.

## Payments

Eligible Veterans who are *not* United States citizens receive a one-time payment of \$9 thousand irrespective of where they reside.

Eligible Veterans who *are* United States citizens will receive a one-time payment of \$15 thousand irrespective of where they reside.

<b>Filipino Veterans Equity Compensation - Status of Funds (\$000s)</b>					
Fiscal Year	Appropriation	Transfer	Obligations	EOY Balance	Outlays
2009	\$198,000	\$0	\$82,438	\$115,562	\$82,438
2010	\$0	\$67,000	\$113,131	\$69,431	\$113,131
2011	\$0	\$0	\$10,099	\$59,332	\$10,099
2012	\$0	\$0	\$1,659	\$57,673	\$1,659
2013	\$0	\$0	\$1,080	\$56,593	\$1,080
2014	\$0	\$0	\$558	\$56,035	\$558
2015	\$0	\$0	\$177	\$55,858	\$177
2016	\$0	\$0	\$51	\$55,807	\$51
2017	\$0	\$0	\$84	\$55,723	\$84
2018	\$0	\$0	\$102	\$55,621	\$102
2019	\$0	\$0	\$9	\$55,627	\$9
2020	\$0	\$0	\$0	\$55,633	-\$6
2021 Estimate	\$0	\$0	\$9	\$55,624	\$9
2022 Estimate	\$0	\$0	\$9	\$55,615	\$9

All original claims were adjudicated by the end of September 2011. However, VA continues to process remaining appeals and can continue to accept and grant reopened claims if the original claim was timely filed, and VA receives new and material evidence. VA expects to pay \$9 thousand in 2021 and \$9 thousand in 2022 for the final granted FVEC appeals.

## Administration of the Fund

Section 1002 of P.L. 111-5 also required the submission of specific information in the annual budget submission of the Department:

*(k) Reports- The Secretary shall include, in documents submitted to Congress by the Secretary in support of the President's budget for each fiscal year, detailed information on the operation of the compensation fund, including the number of applicants, the number of eligible persons receiving benefits, the amounts paid out of the compensation fund, and the administration of the compensation fund for the most recent fiscal year for which such data is available.*

<b>Administration of Filipino Veterans Equity Compensation Fund*</b>					
Claim Type	Payment	Claims Processed	Claims Paid	Claims Denied	Obligations (\$ in millions) *
Total			18,987		\$227**
Filipino Citizen	\$9,000	42,755	9,669	23,768	\$87
U.S. Citizen	\$15,000		9,318		\$140

\*From 2009 through February 2021.

\*\* Obligations include \$17 million in returned checks and other financial accounting adjustments.

All FVEC appeals processing for VBA is centralized at the Manila Regional Office (RO) in the Philippines. As of September 29, 2011, all initial claims had been adjudicated. Since inception of the program, 42,755 claims have been processed. Of this total, 18,987 claims have been granted, and 23,768 have been denied. Just over half (51 percent) of the claims awarded were to Filipino citizens at the one-time payment amount of \$9 thousand. The remaining 49 percent of the claims were awarded to the Veterans who are United States citizens at the one-time payment amount of \$15 thousand in recognition of their service during World War II.

Although 18,987 claims have been paid through February 2021, some Filipino Veterans believe their claims were improperly denied or that they did not receive a satisfactory explanation as to why their claims were denied. To address these concerns, in October of 2012, the White House Initiative on Asian Americans and Pacific Islanders, in collaboration with the Office of Management and Budget and the Domestic Policy Council, created the FVEC Fund Interagency Working Group (IWG). The IWG was comprised of VA, the Department of Defense (DoD), and the National Archives and Record Administration (NARA), and was tasked with analyzing the process faced by Filipino Veterans in demonstrating eligibility for compensation to ensure that all applications receive thorough and fair review. This effort culminated in July 2013 with a report from each member of the IWG and resulted in increased transparency and accelerated the processing of appeals within the existing framework.

Based on the IWG report, VA created a special team to expedite the processing of FVEC appeals. In addition, VA created a standard notification letter for appellants requesting submission of all available service records and information. VA personnel also obtain copies of the Affidavit for Philippine Army Personnel (AGO Form 23) for appeals that are submitted without a Form 23 from the Adjutant General. These steps expedited the processing of appeals for the appellants with advanced age by minimizing the turnaround time for service verification requests and hearing requests.

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## *Veterans Benefits Administration*

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### **Part 3**

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## *General Operating Expenses, Veterans Benefits Administration, Executive Summary*

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### **Appropriation Language**

For necessary operating expenses of the Veterans Benefits Administration, not otherwise provided for, including hire of passenger motor vehicles, reimbursement of the General Services Administration for security guard services, and reimbursement of the Department of Defense for the cost of overseas employee mail, [\$3,180,000,000] \$3,423,000,000: *Provided*, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled Veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: *Provided further*, That, of the funds made available under this heading, not to exceed 10 percent shall remain available until September 30, [2022] 2023. (*Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2021.*)

### **Mission Statement**

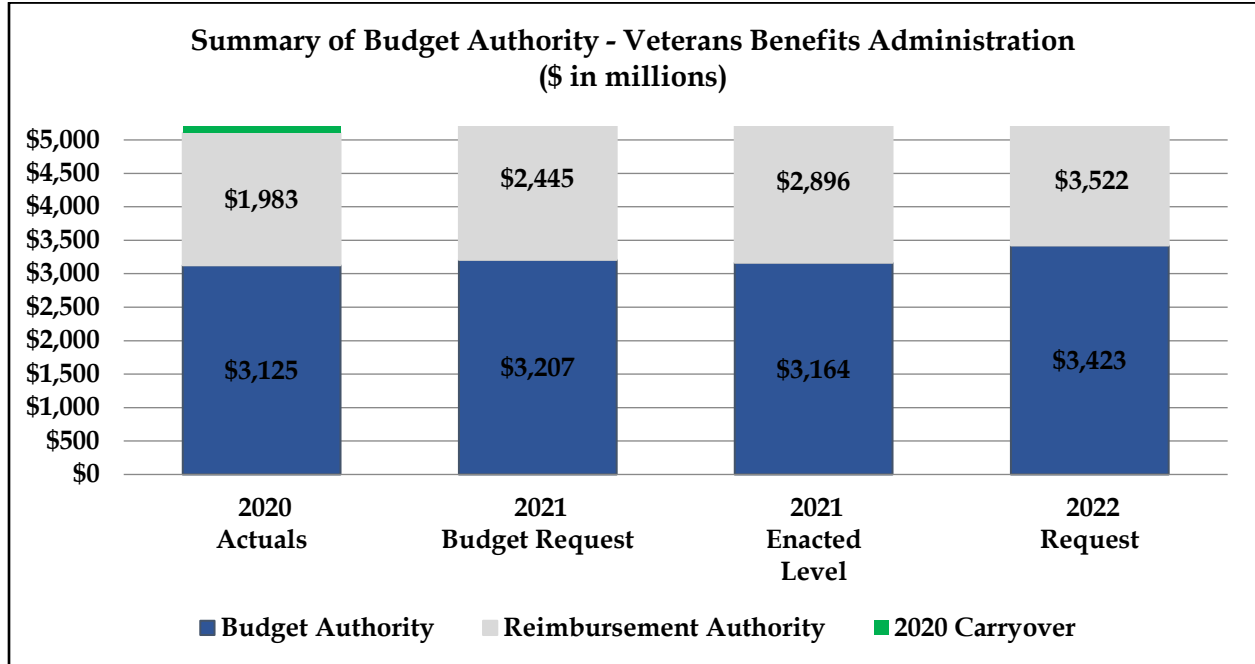
To provide benefits and services to Veterans, their families and survivors in a responsive, timely and compassionate manner in recognition of their service to the Nation.

### **Vision Statement**

“To fulfill our Nation’s promise to those who serve by delivering the benefits and services they have earned to enable full, independent, and productive lives.”

## Summary of Budget Request

**2022 Budget Authority Request: \$3.4 billion**  
**Change over 2021 Estimate: + \$259 million / 8.2 percent**



VBA’s 2022 request of \$6.9 billion provides Veterans, their dependents and Survivors a variety of benefits and services. This includes \$3.4 billion in discretionary General Operating Expenses (GOE) budget authority and \$3.5 billion in reimbursements from other VA appropriations. This request delivers \$154 billion in benefits and services to Veterans and other beneficiaries, at an operating cost of about three cents for every dollar of benefits delivered.

The following chart summarizes VBA’s total 2022 discretionary budget request, with subsequent sections providing an overview for each of the seven lines of business.

<b>Total VBA Summary</b>					
<b>Summary of Discretionary Appropriation Highlights</b>					
(dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct	22,313	22,285	22,311	22,871	560
Management Direction and Support	2,445	2,432	2,432	2,432	0
<b>Total FTE</b>	<b>24,758</b>	<b>24,717</b>	<b>24,743</b>	<b>25,303</b>	<b>560</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$2,613,494	\$2,679,599	\$2,707,213	\$2,882,005	\$174,792
Overtime	51,460	46,000	46,059	46,059	0
Travel	10,387	36,298	36,298	37,059	761
Interagency Motor Pool	5,181	5,242	5,239	6,120	881
Transportation of Things	2,417	1,720	1,720	1,753	33
Rent, Communications & Utilities	171,748	184,363	184,238	188,035	3,797
Printing	1,829	2,992	3,016	3,075	59
Other Services	2,234,364	2,661,678	3,096,934	3,745,422	648,488
Supplies and Materials	4,037	8,326	8,297	8,521	224
Equipment	11,637	24,692	24,693	25,354	661
Insurance Claims	1,225	1,148	1,148	1,171	23
<b>Total Administrative Obligations</b>	<b>\$5,107,779</b>	<b>\$5,652,056</b>	<b>\$6,114,855</b>	<b>\$6,944,574</b>	<b>\$829,719</b>
Reimbursements	-\$1,986,279	-\$2,445,057	-\$2,896,355	-\$3,521,574	-\$625,219
<b>Unobligated SOY</b>	<b>-\$76,552</b>	<b>\$0</b>	<b>-\$54,500</b>	<b>\$0</b>	<b>\$54,500</b>
GOE Carry Over	-\$76,500	\$0	-\$54,500	\$0	\$54,500
Recycling	-\$52	\$0	\$0	\$0	\$0
<b>Unobligated EOY</b>	<b>\$11,052</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
GOE Carry Over	\$11,000	\$0	\$0	\$0	\$0
Recycling	\$52	\$0	\$0	\$0	\$0
Unobligated Bal Expiring	\$69,000	\$0	\$0	\$0	\$0
<b>Net Appropriation</b>	<b>\$3,125,000</b>	<b>\$3,207,000</b>	<b>\$3,164,000</b>	<b>\$3,423,000</b>	<b>\$259,000</b>
<b>Rescission</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,000</b>	<b>\$0</b>	<b>-\$16,000</b>
<b>Total Appropriation</b>	<b>\$3,125,000</b>	<b>\$3,207,000</b>	<b>\$3,180,000</b>	<b>\$3,423,000</b>	<b>\$243,000</b>
<b>Outlays (net)</b>	<b>\$2,939,335</b>	<b>\$3,129,414</b>	<b>\$2,975,228</b>	<b>\$3,248,123</b>	<b>\$272,895</b>

Dollars may not add due to rounding in this and subsequent charts.

VBA’s 2022 budget is focused on the two strategic priorities of benefits delivery and suicide prevention. VBA is requesting an overall increase of \$259 million (7.6%) and 560 FTE over the 2021 Enacted Level:

- **Digital GI Bill Modernization Effort (\$81.5 million):** This investment supports a modernized business platform to better deliver benefits and respond quickly to national emergencies like COVID-19. This investment supports an integrated system with a payment engine, improved reporting tools for schools, next generation capabilities for claims processing and customer relationship management.

- **Agent Orange (AO) Presumptive Conditions (\$40.3 million and 334 FTE):** The 2021 National Defense Authorization Act added Parkinson’s-like symptoms, bladder cancer and hypothyroidism to the list of presumptive conditions related to exposure to AO during the Vietnam War. The requested \$40.3 million supports hiring an additional 334 FTE to process related AO claims.
- **FTE Optimization to support mission critical activities (\$13.6 million and 140 FTE):** This request right-sizes VBA based on operational requirements:
  - 95 additional FTE to support disability compensation claims processing. The COVID-19 pandemic temporarily suspended contract medical exams and slowed federal record requests, increasing the disability compensation claims backlog to over 200 thousand.
  - 45 additional FTE to support the growing number of Specially Adapted Housing (SAH) grants and implementation of the Ryan Kules and Paul Benne Specially Adaptive Housing Improvement Act of 2019, P.L. 116-154 (GOE funded).
- **Clean Energy Job Training (\$5 million):** This initiative supports the Department of Labor (DOL) in developing a clean energy job training program for eligible Veterans, transitioning Service members, and military spouses.
- **VA Disability Employment Pilot Project (\$3.6 million):** This initiative establishes a pilot program to assist Veterans with service-connected disabilities seeking employment opportunities.
- **An additional 86 FTE funded via offsetting collections:**
  - 3 FTE to support contract medical exams (Compensation and Pension funded)
  - 53 FTE to support increase in volume of home loans—increased 70% over the past seven years; however, FTE have remained static (Credit Reform funded)
  - 30 FTE for Insurance to support increased workload (Insurance Funded)

### **Supplemental Funding Summary**

The Coronavirus Aid Relief and Economic Security Act (CARES Act), P.L. 116-136; the Consolidated Appropriations Act, 2021, P.L. 116-260; and the American Rescue Plan (ARP), P.L. 117-2 all affected VBA’s budget. The additional funding provides up to \$999 million for COVID-19 related supplies and services, overtime, Digital GI Bill, Veterans Rapid Retraining program (VRRAP) and claims processing activities. The \$351 million in CARES Act funding will expire at the end of 2021. ARP provides \$386 million for VRRAP funding to be available until expended and \$262 million for claims processing available until 2023.

The CARES Act provided \$13 million to VBA for purchasing COVID-19 related supplies, services and overtime. As of September 30, 2020, VBA executed \$9.8 million of the \$13 million authorized. The Appropriations Act authorized the Veterans Health Administration (VHA) to transfer up to \$338 million from their CARES Act funding to VBA for Digital GI Bill (\$198 million) and

overtime (\$140 million). VBA has transferred \$210 million to date and this summer will determine how much of the remaining balance can be executed before these funds expire. The transfer consisted of \$135 million for Digital GI Bill and \$75 million for overtime.

<b>Supplementals and Transfers</b> <b>Summary of Discretionary Funding</b> (dollars in thousands)		
Discretionary	2020	2021
	Authority	Authority
<b>Obligations</b>		
CARES Act	\$13,000	-
VHA CARES Act Transfers for Digital GI Bill	-	\$198,000
VHA CARES Act Transfers for Overtime	-	\$140,000
ARP for VRRAP	-	\$386,000
ARP for Claims Processing	-	\$262,000
<b>Totals</b>	<b>\$13,000</b>	<b>\$986,000</b>

### VBA Overview and Priorities

In 2022 VBA’s two organizational priorities are benefits delivery and suicide prevention. Suicide prevention is a top concern for VA and VBA’s budget request seeks to bolster resources for programs and initiatives that address life events and circumstances that may trigger stressors linked to Veteran suicide.

## VBA Three Priorities

 <p><i>Provide Veterans with the benefits they have earned in a manner that honors their service</i></p>	 <p><i>Ensure we are strong fiscal stewards of the money entrusted to us</i></p>	 <p><i>Foster a culture of collaboration</i></p>
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## Benefits Delivery

### Digital GI Bill Modernization Effort

An additional \$81.5 million is for the modernization of the Education Service business platform. The modernization will enhance Education Service’s ability to process claims, collaborate with stakeholders and improve communications and service via an online portal. This will enable easier collaboration with our external stakeholders (including schools and State Approving Agencies) VBA for a more seamless experience.

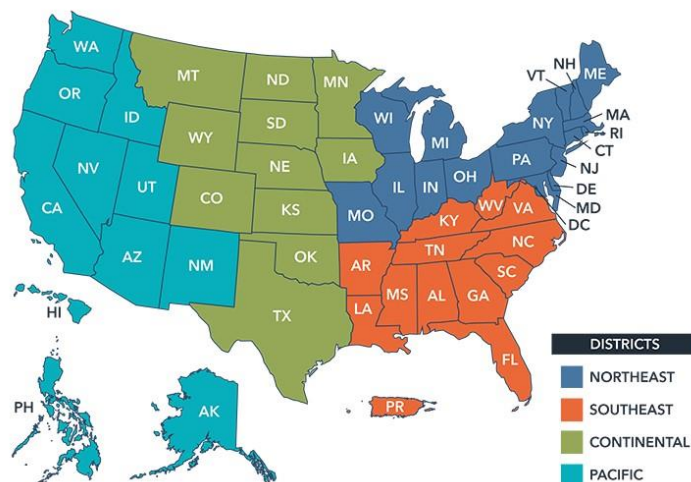
## Suicide Prevention

### Disability Employment Pilot Project

VBA will implement an innovative pilot program aimed at providing employment opportunities for Veterans and Service members with service-connected disabilities. This budget includes \$3.6 million for VBA to develop and conduct a pilot from which VBA can learn about ways to empower and enable disabled Veterans seeking employment. The pilot program will include researching current employment programs to identify opportunities for improvement or gaps in the existing services. This pilot aims to better integrate VA programs. Key stakeholders contributing to the pilot program include the Office of Management and Budget (OMB), Department of Defense, DOL and volunteer Veteran pilot participants.

## Highlights, Program Descriptions, and Major Accomplishments

VBA is aligned into four Districts, which operates a national network of 56 regional offices (ROs), three Pension Management Centers (PMCs), six Fiduciary Hubs, three Education Regional Processing Offices (RPOs), eight Regional Loan Centers (RLCs), the Philadelphia Insurance Center, and the NCC. VBA provides benefits via seven distinct lines of business, to include the Office of Administrative Review (formerly Appeals Management Office) and the Chief Production Office (CPO).



\* A state index to VA regional offices and a listing of additional VA facilities located in each state.

## Chief Production Office (CPO)

The CPO was created October 2019 to ensure claims processors are equipped and supported with

highly efficient technology and lean processes. Claims processing system modernization, timely defect resolution and user-driven system enhancements are three key areas of focus.

The CPO is composed of 14 FTE and operates through a unique organizational structure that relies largely on rotational team members. The CPO identifies continuous improvements across VBA to reduce rework, drive efficiency, increase accuracy and ensure a productive work landscape that values employees. 2020 was the inaugural year of the office and efficiency gains continued in 2021 for VBA's disability claims processors:

- In 2020, over 20 user-driven system enhancements were implemented. In the first six months of 2021, there were 40 more of these enhancements. Through this effective continuous improvement process, optimization requests are received and assessed daily. 50 additional optimizations are currently awaiting system development and delivery with the Office of Information and Technology (OIT).
- In 2020, over 700 Veterans Benefits Management System (VBMS) production defects were repaired, eliminating work arounds and work stoppages for claims processors. In 2021, a Service Level Agreement was obtained from OIT to timely repair all newly identified VBMS production defects. OIT currently resolves critical defects on average in 13 days and medium-to-low defects in 11 days.

Significant enhancements are planned in 2021 to streamline evidence gathering and improve development action tracking in VBMS. This Interactive Development Assist (IDA) functionality will increase Ready-for-Decision claims, reduce development errors and missed exams. Nearly 500 User-driven production optimizations have been received in 2021 and that trend is expected to continue in 2022. The CPO office receives, reviews, prioritizes and submits system enhancement requests daily to OIT and conducts user-validation reviews of new functionality following VBMS releases. Additional enhancements in NWQ are planned to support flexible workload and data management.

The Disability Benefits Questionnaire (DBQ) modernization initiative is designed to receive completed exam information for the DBQ as data in addition to a PDF; use that data to populate VBA's rating system and disability calculators; and to visually present that disability information to VBA decision-makers to facilitate accurate and timely disability claims processing. This DBQ initiative covers 4 body systems, skin, scars, vision, and endocrine. DBQ input for three body systems began in 2021, and DBQs for additional body systems will be targeted for input in 2022. Collaborating with OIT ensures high quality, near defect-free functionality is delivered and there is timely repair when bugs are encountered. In 2022, the CPO will utilize a human design approach to further enhance the VBMS Rating application. This will incorporate an interactive just-in-time knowledge assist that uses business logic for specific claims to reduce recurring errors and reworks.

#### **Office of Administrative Review (OAR) (formerly Appeals Management Office)**

VBA has worked to streamline and improve the process to reduce its pending legacy appeals inventory. Appeals modernization was successfully completed in 2019. Now Veterans who disagree with their VBA claims decisions have three options: higher-level review, supplemental claim or appeal to the Board of Veterans' Appeals (the Board). Veterans with pending disagreements under the legacy appeals system may choose to continue under that system or they

may opt into the modernized system. VBA's goal is to complete supplemental claims and higher-level reviews in an average of 125 days, and the Board decisions appealed on its direct docket in an average of 365 days. VBA continues to review data, identify potential risks and model multiple scenarios to allocate resources.

VBA has reduced inventory of pending legacy appeals by 79%, down to 51 thousand. Higher-level reviews are completed in an average of 88 days. VBA continues to target further reduction of the legacy remand inventory.

### **Office of Survivors Assistance (OSA)**

In 2021, OSA was realigned from the Office of the Secretary in the General Administration budget to VBA. The OSA was established by the Veterans' Benefits Improvement Act of 2008, P.L. 110-389, Title II, Section 222. The OSA Director serves as the principal advisor to the Secretary on all policies, programs, legislative issues and other initiatives affecting surviving family members of deceased Service members and Veterans. OSA serves as a resource regarding all benefits and services furnished by the Department to survivors of deceased Veterans.

OSA's activities include:

- Building and maintaining collaborative partnerships with local, state, tribal and federal agencies as well as VSOs, faith-based and community organizations and other stakeholder groups to increase awareness of benefits and services available to surviving family members.
- Advocating for the needs of survivors in VA's policy and programmatic decisions.
- Making appropriate referrals to VA administrations and staff offices to ensure survivors receive eligible benefits and services.
- Communicating with surviving family members on VA benefits and services in a proactive and timely manner.
- Developing innovative outreach opportunities to reach survivors who are eligible but are not receiving benefits.

### **Disability Compensation**

VBA oversees the delivery of disability compensation, a tax-free monetary benefit paid to Veterans with disabling conditions that are the result of a disease or injury incurred or aggravated during active military service. Disability compensation rating claims are requests for benefits based upon the effects of disabilities, which VBA decides by reviewing medical evidence. VBA provided disability assistance to more than 4.5 million Veterans and completed more than 1.3 million disability compensation claims in 2020 and has processed over a million claims per year for 11 consecutive years.

### **Pension, Dependency and Indemnity Compensation, Burial, and Fiduciary Programs**

VBA helps wartime Veterans, their families and Survivors with financial challenges by providing supplemental income through Veterans Pension, Death Pension and Dependency and Indemnity Compensation (DIC). The Fiduciary Program protects the benefits paid to our most vulnerable beneficiaries who, because of disease, injury, or infirmities of advanced age, are unable to manage their finances. In 2020, VBA served over 409 thousand Veterans and survivors receiving Pension totaling \$4.5 billion, over 433 thousand survivors receiving DIC benefits totaling over \$7.1 billion,



and more than 190 thousand Fiduciary beneficiaries.

### **Education**

The Education Service administers six education benefit programs that provide nearly \$12 billion in benefits for approximately one million beneficiaries annually. Education Service processes approximately four million claims each year and provides education and training benefits to eligible Active Duty, National Guard, Reserve Service members, Veterans and dependents. Education Service processes original claims in an average of 16 days with 98% accuracy. VBA has provided over \$98 billion in Post-9/11 GI Bill benefits to over two million Veterans and dependents since the program began in August 2009.

### **Housing**

The Housing Program provides oversight of the VA Guaranteed Home Loan Program that guarantees home loans in varying amounts and ensures Veterans' rights are protected when purchasing a home under the program. The Housing Program oversees administration of SAH grants for certain severely disabled Service members and Veterans so they can adapt or acquire suitable housing. VBA has saved over 890 thousand Veterans and their families from foreclosure through the Home Loan Guaranty Program. In 2020 the Housing Program guaranteed over 624 thousand loans.

### **Veteran Readiness and Employment (VR&E)**

The VR&E Program (formerly Vocational Rehabilitation & Employment) assists Veterans and Service members with service-connected disabilities to prepare for, obtain and maintain suitable employment, start their own business or receive independent-living services. This program served over 122 thousand Veterans in 2020. VR&E continues to champion student Veterans through the VetSuccess on Campus (VSOC) program, which places counselors on 104 college campuses to assist student Veterans.

### **Office of Transition and Economic Development (OTED)**

OTED maintains oversight and management of Military-to-Civilian Transition Services as well as the development of economic initiatives that focus on empowering Veterans to achieve maximum economic well-being.

### **Insurance**

The Insurance Service administers life insurance programs that provides financial security and peace of mind for Service members, Veterans and their families by providing more than \$1.2 trillion in coverage. In 2020, VBA paid over \$1.9 billion in mandatory obligations, including nearly 125 thousand disbursements to insureds and beneficiaries in an average of four days at nearly 99% accuracy.

## **Overview of VBA Workload**

The following sections provide a summary of the VBA workload, budget authority, and FTE projections.

### Office of Administrative Review (formerly Appeals Management Office)

The Appeals Modernization Act of 2017, P.L. 115-55, includes built in feedback loops to improve decision accuracy at the point of an initial claim, through error identification within the Higher-Level Review and Board Appeal lanes. VBA validates the data provided from these respective feedback loops through quality checks and assesses error trends to develop appropriate remediation and process improvements for field offices. In 2020, the average days to complete (ADC) higher-level reviews was 88 days. The average days pending (ADP) for higher-level reviews was 70 days. For supplemental claims, the ADC was 78 days, and the ADP 122 days.

VBA and the Board share a total of 171 thousand compensation and pension appeals still pending, 51 thousand are at VBA. Here are the stages of that inventory:

- 4,234 Notices of Disagreement pending
- 1,229 substantive appeals to the Board (VA Form 9) pending
- 2,749 appeals pending responses to VA's Statements of the Case
- 42,670 Board remands pending (cases returned to the agency of original jurisdiction when there is a need to obtain evidence, clarify the evidence, correct a procedural defect, or take any other action deemed essential for a proper appellate decision).

VBA forecasts that the FTE resources required to process legacy appeals will decrease as it eliminates the non-remand inventory. In 2021, VBA will incrementally reallocate up to 400 employees to other priority areas such as the expanded transition program, enhanced outreach efforts, and VR&E Counselor to maintain the Counselor-to-Veteran ratio of 1:125 per the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act, P.L. 114-223. The table below projects the reduction of VBA's compensation and pension legacy appeals inventory through 2022.

The following table provides a summary of workload projections:

<b>Projected Compensation &amp; Pension Appeals Workload</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Notice of Disagreement Receipts	111,981	18,139	1,600	0
Appeals Resolutions by VBA	95,143	129,251	* 9,000	*5,121
Certification of Substantive Appeals to the Board ~	67,341	110,097	**49,830	**46,085
Pending Inventory	237,657	50,882	26,161	20,000

~ For 2019 and 2020, certifications include both original certifications as well as remands returned to the Board for final decisions; for 2021 and 2022, this category will only include recertifications. 2022 Appeal Resolutions and Certifications by VBA are based on a projected 28,000 remands received from the Board

\* Resolutions will include remands only in 2021 and 2022

\*\* Certifications will include recertifications only in 2021 and 2022

### Disability Compensation

In 2019, VBA published updated claims processing work-rate standards to serve as a measurement of the average amount of time it takes an employee to complete a step in the claims process. The standards are used with historical data to make projections for budgeting and staffing purposes.

The following table provides a summary of workload projections:

<b>Projected Compensation Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Compensation Direct Labor FTE	14,558	15,505	15,021	15,453
Rating Receipts Compensation Claims	1,316,928	1,454,097	1,600,121	1,610,657
Rating Production Compensation Claims	1,322,139	1,337,075	1,559,994	1,671,588
Year-end Inventory Compensation Claims	332,884	449,906	490,033	429,102

One quarter of the total Veterans population of 20 million receives disability compensation. VBA expects an increase in the number of compensation beneficiaries requiring award adjustments due to dependency changes, requests for ancillary benefits, clothing allowances, Specially Adapted Housing, requests for eligibility certifications for determining entitlement to other VA programs and program reviews.

In 2020, VBA continued to reduce its reliance on overtime funding which in 2020 was 70% lower than at the highest point in 2015. VBA expects that rating claims received will outpace production through 2021, adding to the rating claims inventory. Claims production will outpace receipts in 2022. VBA predicts that non-original, supplemental, Blue Water Navy and AO claims will continue to drive an increase in receipts through 2022.

VBA is modernizing its current workload group structure (“Rating,” “Non-Rating,” “Other Compensation,” and “Control” End Products) to improve customer understanding of the Disability Compensation program core missions and increase transparency.

- **Direct Benefits:** workload category includes claims for monetary benefits. Claims processed in this workload category allow access to other VA benefits and services.
- **Benefit Adjustments:** workload includes ancillary claims that require a Veteran to be receiving direct benefits before they may be eligible. Examples include adjustments to ancillary benefits and entitlement, such as dependent benefits, automobile allowance and Specially Adapted Housing.
- **Required Benefit Review:** workload includes audits based on information received from other government entities, internal audits or other reviews needed to determine impact to benefits. Examples include data matches with the Federal Bureau of Prisons and Social Security Administration, and military pay adjustments.
- **Unique Eligibility Decisions:** workload includes requests to determine eligibility for Veteran status that are separate from direct benefit claims. This workload includes administrative decisions on dishonorable discharges to determine eligibility to health care and Filipino Equity Act claims (the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 (P.L. 110-329)).

- **Informational Requests:** workload includes correspondence received from Veterans, survivors and stakeholders requesting information from VBA. This workload includes general correspondence, Freedom of Information Act requests, Privacy Act requests and Congressional correspondence.

In 2020, VBA developed initial internal workload reporting based on updated categorization and aligned processing of most of Benefit Adjustments, Required Benefit Review, and Unique Eligibility Decisions to eight regional offices, under Benefit Entitlement Support Teams (BEST). Over the next two fiscal years, VBA plans to develop strategic service level goals and predictive models for each workload category and begin using them in 2022.

### **Pension, Dependency and Indemnity Compensation, Burial, and Fiduciary Programs**

VBA reduced its Veterans rating-related pension inventory by 67% since the beginning of 2020. VBA has begun automated claims processing for more complicated burial, DIC and pension claims. This automation has resulted in over five thousand burial and DIC claims being automated in the first two months. DIC claim receipts are expected to slightly increase because of the expansion of Veterans eligible for presumptive service-connected conditions associated with service in Vietnam.

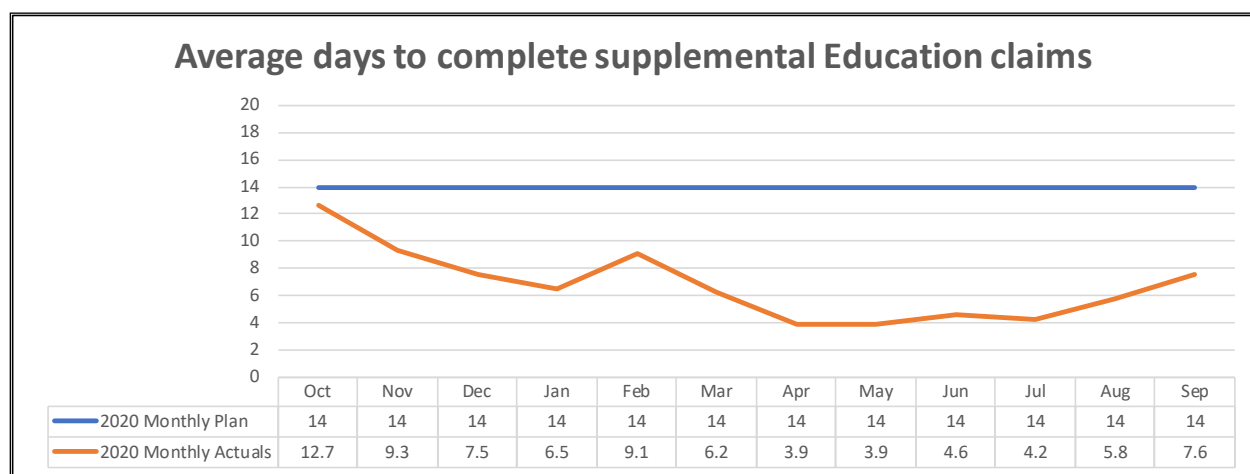
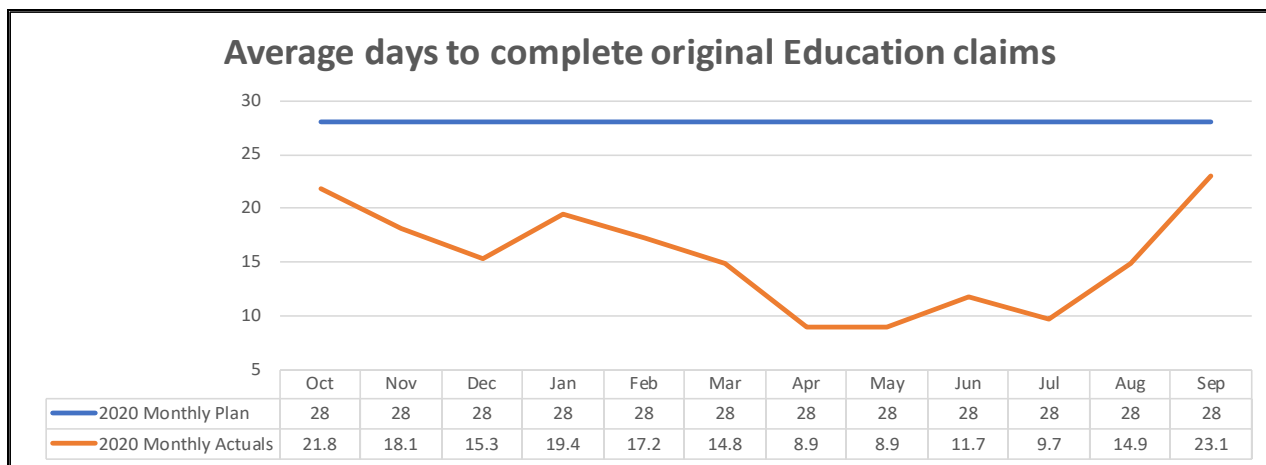
The following table provides a summary of the VBA pension and DIC rating workload and FTE projections. This summary includes data for only pension and DIC claims considered to be part of VBA’s overall disability claims inventory (i.e., “rating claims”):

<b>Projected Pension and DIC Claims Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Pension, DIC, & Burial Direct Labor FTE	1,022	1,108	1,191	1,191
<b>Total Receipts</b>	<b>125,993</b>	<b>124,661</b>	<b>133,636</b>	<b>131,839</b>
Pension Claims	67,307	66,562	67,349	64,214
DIC Claims	58,686	58,099	66,287	67,625
<b>Total Production</b>	<b>122,073</b>	<b>124,905</b>	<b>134,821</b>	<b>145,257</b>
Pension Claims	62,932	69,232	68,266	70,794
DIC Claims	59,141	55,673	66,555	74,463
<b>Total Year-end Inventory</b>	<b>29,696</b>	<b>29,452</b>	<b>28,267</b>	<b>14,849</b>
Pension Claims	17,785	15,115	14,198	7,618
DIC Claims	11,911	14,337	14,069	7,231

### **Education**

Education Service focuses its workforce to provide \$12 billion in timely and accurate education benefits to Veterans each year. In 2020, VBA processed 2.3 million education claims at an accuracy rate of 94%. Original claims were processed in 16 days on average and supplemental claims were processed in 8 days on average. In 2022, VBA expects to process over four million claims for over one million recipients. Education claims processing times typically vary throughout the year primarily due to the Fall and Spring peak enrollment periods.

The chart below shows how claims processing time per month is based on the enrollment periods:



Workload for the Education Call Center (ECC) is determined by the number of callers and inquiries received. The ECC delivers benefits and services across the globe. In 2020, the ECC answered over two million calls.

Education Service oversees more than 400 thousand approved educational programs each year. The workload is based on approval requests from the education and training providers in conjunction with the School Approving Agencies. VBA Education Liaison Representatives (ELRs) maintain records of all approved, suspended or withdrawn programs for educational and training institutions. This work ensures accurate and consistent application of the laws, regulations and policies governing GI Bill approval activities, providing beneficiaries with an abundance of options when choosing how to use their benefits.

Workload for the Approval, Compliance and Liaison (AC&L) team is based on reviewing and accepting approval packages for education and training programs for enrollment of GI Bill beneficiaries. AC&L also audits compliance with GI Bill requirements by conducting statutorily mandated compliance surveys at schools and training providers with approved programs.

The compliance survey workload is generally determined by the requirements codified in 38 U.S. Code § 3693, which requires VBA to conduct a compliance survey of approved programs with at

least 20 beneficiaries, unless waived due to a history of compliance. Ad hoc surveys are conducted based on the existence of identified risk factors, complaints or enforcement actions by State or Federal agencies, referred to as Risk Based Surveys and Targeted Risk Based Reviews. This work helps to safeguard the integrity of the GI Bill and its \$12 billion in education benefit payments per year.

The following table provides a summary of workload projections:

<b>Projected Education Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	1,720	1,899	1,803	1,803
Total Claims Completed	3,648,330	3,598,346	3,820,919	4,000,502
Change in Claims Completed (over previous year)	4.66%	-137%	6.19%	4.70%
Average Days to Complete Original Claims	24	16	24	24
Average Days to Complete Supplemental Claims	13	7	12	12
Compliance Reviews	3,619	2,388	3,500	3,500
Calls Processed at Call Center (Answered)	2,307,219	2,025,369	2,768,663	2,768,633

Estimates may change based on program participation

## **Housing**

In 2020, VBA is projecting guaranteed loans to surpass one million, a record number for the program, exceeding the previous record set in 2017 by more than 43%. VA Loan Guaranty (LGY) is on track to service more than 3.6 million total loans since the Federal Credit Reform Act, P.L. 101-508 was passed in 1990 and including loans guaranteed prior to 1992. LGY portfolio estimates sustainable growth in purchase loans and expects to see a sharp decline in refinance loans.

The following table provides a summary of workload projections:

<b>Projected Housing Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	769	780	820	918
Total Guaranteed Loan Volume	661,353	1,246,816	1,278,268	968,977
Total Purchase Loans	407,129	428,421	414,560	407,161
Total Refinance Loans	254,224	818,395	863,708	561,817
Total Loan Amount	\$187,409,206	\$375,356,714	\$390,485,852	\$301,012,801

## **Veteran Readiness and Employment**

The eBenefits Enterprise Veterans Self-Service Portal (EVSS) provides an automated interface for eligible participants to apply for [Chapter 31](#) employment counseling services. VR&E is on track to transition to a new online application system, VA.gov by 2021 to align with the Case Management Solutions (CMS) pilot kickoff in April, with field deployment in October. The new system will have an eligibility wizard and an orientation video to assist the applicant in making an informed decision on applying for the benefit.

The following table provides a summary of workload projections:

<b>Projected VR&amp;E Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	1,421	1,458	1,678	1,678
Actual Participants*	122,244	123,490	124,892	126,262
Increase in Actual Participants (over previous year)	-2%	1%	1%	1%
Positive Outcomes	16,789	16,216	TBD	TBD

\*Participants include all Veterans who were in a rehabilitation plan of service or an extended evaluation plan during 2020, including those who were successfully rehabilitated or who discontinued their program of services in 2020.

### **Office of Transition and Economic Development**

VBA anticipates conducting more than five thousand full-day mandatory briefings at more than 355 installations around the world. More than 70% of all VBA Benefits and Services global briefings will occur on the same day of the week rather than being distributed evenly across all days of the week as in years past.

While VR&E counselors will continue to provide Chapter 36 counseling to eligible individuals directly, oversight responsibility of the contract-counseling program has transferred from VR&E to OTED in 2021. OTED will conduct outreach to student Veterans, which VBA anticipates will lead to an increase in the use of Chapter 36 services.

The following table provides a summary of workload projections:

<b>Projected OTED Workload and FTE Requirements</b>	<b>2019</b>	<b>2020 Actual</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	15	27	162	162
Attendance at TAP Events	423,243	318,000	392,000	415,000
Women's Health Training	670	737	810	891
Personal Career Planned Guidance (Chapter 36) Cases	6,108	7,500	7,875	8,269
VA Solid Start Successful Contacts	-	91,859	122,530	200,000
Economic Investment Initiatives	2,000	500	3,000	4,000

### **Insurance**

VBA no longer issues new policies for the United States Government Life Insurance, National Service Life Insurance, Veterans' Special Life Insurance and Veterans' Reopened Insurance programs. In 2022, workload associated with these programs will continue to decline resulting from the advancing age of the policyholders and decline in the total policies in force. VBA still issues new policies for Service-Disabled Veterans Insurance (S-DVI) and Veterans Mortgage Life Insurance (VMLI) and associated workload is projected to remain level from 2021 to 2022. Other Insurance workload includes loans and cash surrenders, which are also projected to remain stable from 2021 to 2022. VBA will implement the Veterans Health Care and Benefits Improvement Act of 2020, P.L. 116-315 and open enrollment for the new Veterans Affairs Life Insurance (VALI) program beginning January 1, 2023. FTE increases reflected in 2022 are based on anticipated applications for VALI and conversions from S-DVI in 2023.

The following table provides a summary of workload projections:

<b>Insurance Workload and Direct FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Insurance Direct Labor FTE	270	269	301	331
Death Claims	86,782	79,938	81,200	78,830
Loans and Cash Surrenders	38,390	30,761	38,990	37,690
Telephone Calls Answered	463,718	431,915	464,630	434,380
S-DVI & VMLI Applications	29,477	27,330	31,780	31,780
All Other Insurance Maintenance Actions	208,480	168,914	224,310	162,430

### **VBA Initiative Investments**

The table below reflects VBA's current investment of \$278.2 million in cross-cutting programs:

<b>2022 Investments Request VBA Cross-Cutting Investments (\$000s)</b>				
<b>Initiative Name</b>	<b>2021 Request</b>		<b>2022 Request</b>	
	<b>FTE</b>	<b>\$</b>	<b>FTE</b>	<b>\$</b>
Overtime	-	46,059	-	46,059
Fraud, Waste, and Abuse	47	21,317	47	21,743
Veterans Benefits Management System	41	28,910	41	30,224
Veterans Claims Intake Process/Centralized Mail	34	130,591	34	164,811
National Work Queue	22	3,354	22	3,356
Veterans Earnings Loss Studies	-	11,792	-	12,028
<b>TOTAL OBLIGATIONS</b>	<b>144</b>	<b>\$242,023</b>	<b>144</b>	<b>\$278,221</b>



## FTE Tables

The following tables display the estimated allocation of FTE in 2021 by grade and location and the estimated distribution of all grades from 2020 through the 2022 request.

<b>Analysis of FTE Distribution Headquarters/Field</b>			
<b>Grade</b>	<b>2021 HQ Estimate</b>	<b>2021 Field Estimate</b>	<b>Total</b>
SES	35	43	78
GS-15	116	125	241
GS-14	361	251	612
GS-13	756	2,099	2,855
GS-12	130	5,488	5,618
GS-11	39	4,378	4,417
GS-10	0	3,271	3,271
GS-9	12	3,761	3,773
GS-8	0	99	99
GS-7	5	2,379	2,384
GS-6	0	653	653
GS-5	1	678	679
GS-4	1	53	54
GS-3	1	8	9
GS-2	0	0	0
GS-1	1	0	1
<b>Total</b>	<b>1,458</b>	<b>23,285</b>	<b>24,743</b>

<b>Employment Summary-FTE by Grade</b>				
<b>Grade</b>	<b>2020 Actual</b>	<b>2021 Estimate</b>	<b>2022 Request</b>	<b>Increase/ Decrease</b>
SES	77	78	78	0
GS-15	250	258	266	7
GS-14	640	656	674	19
GS-13	3,075	3,085	3,172	87
GS-12	5,679	5,603	5,760	158
GS-11	4,631	4,574	4,697	124
GS-10	3,009	3,112	3,200	88
GS-9	3,788	3,923	4,130	207
GS-8	66	68	70	2
GS-7	1,945	2,102	2,340	238
GS-6	1,009	801	577	(223)
GS-5	505	399	252	(147)
GS-4	77	81	83	2
GS-3	5	5	5	(0)
GS-2	0	0	0	0
GS-1	0	0	0	0
<b>Total</b>	<b>24,758</b>	<b>24,743</b>	<b>25,303</b>	<b>560</b>

## Net Changes

The following table displays the net change from the 2021 President's Budget Request to the 2022 President's Budget Request.

<b>Exhibit 1</b> <b>Discretionary Appropriation</b> <b>TAFS: 036-0151</b> <b>General Operating Expenses, VBA</b> <b>2022 Summary of Resource Requirements</b> <b>(Dollars in Thousands)</b>		
<b>Budget Build Categories</b>	<b>Appropriation</b>	<b>FTE</b>
FY 2021 President's Budget	\$3,207,000	24,743
FY 2021 Reduction/Rescission	-\$43,000	
<b>FY 2021 Enacted</b>	<b>\$3,164,000</b>	<b>24,743</b>
<b>2022 Current Services Increases</b>		
Non-Pay Inflation (2%)	35,446	
Payraise (2.7%)	55,258	
FERS Increase (1.1%)	24,295	
	<b>Subtotal</b>	<b>0</b>
	<b>% Change</b>	<b>3.59%</b>
	<b>3.59%</b>	<b>0.00%</b>
<b>2022 Total Current Services</b>	<b>\$3,278,999</b>	<b>24,743</b>
<b>2022 Additional Investments</b>		
Contract Medical Exams FTE <sup>1/</sup>	--	3
Insurance Service FTE <sup>2/</sup>	--	30
Loan Guaranty FTE <sup>3/</sup>	--	53
Loan Guaranty FTE (Specially Adaptive Housing)	5,738	45
Disability Compensation Claims Processors	7,881	95
Program to Combat Global Climate Change	5,000	
Disability Employment Pilot Project	3,600	
Digital GI Bill Modernization	81,500	
Agent Orange Presumptive Conditions	40,282	334
	<b>Subtotal</b>	<b>560</b>
<b>2022 Total Request</b>	<b>\$3,423,000</b>	<b>25,303</b>

<sup>1/</sup> Cost of additional FTE is reimbursed from C&P appropriation

<sup>2/</sup> Cost of additional FTE is reimbursed from Insurance Program

<sup>3/</sup> Cost of additional FTE is reimbursed from Credit Reform appropriation



## *Disability Compensation*

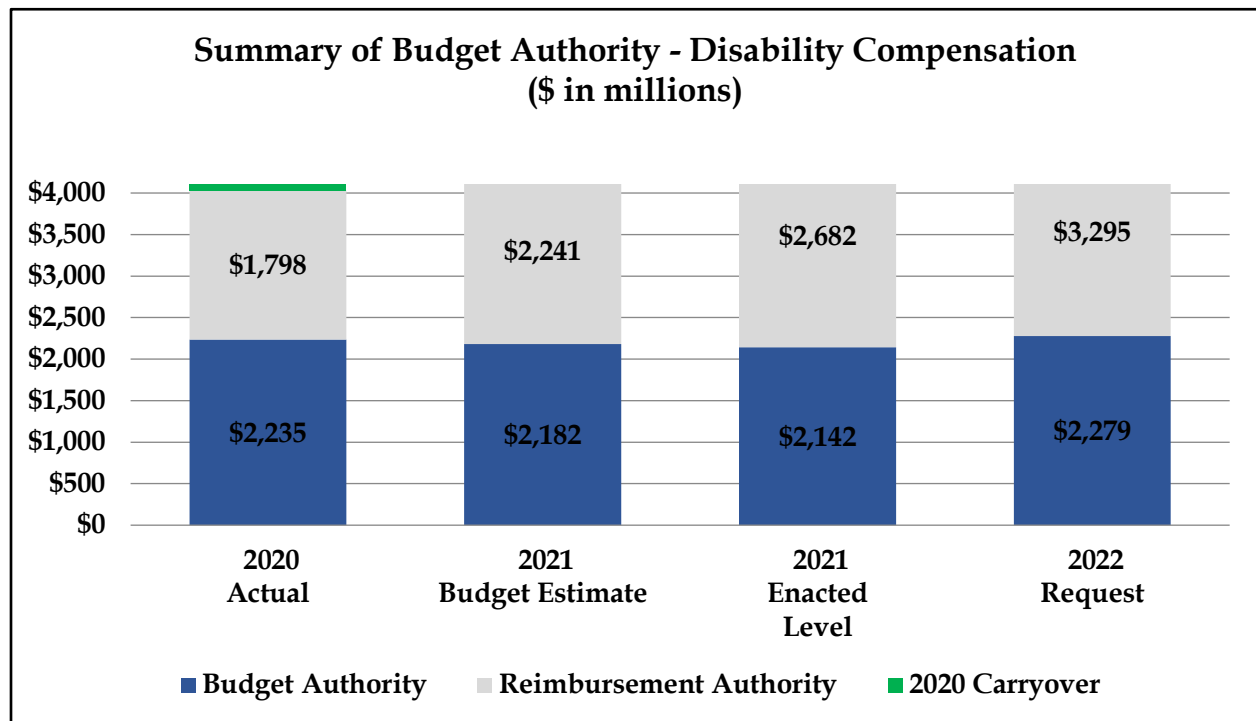
### **Mission**

Provide monthly, tax-free payments to Veterans, their families and survivors in recognition of the effects of a disabling condition due to disease or injury incurred or aggravated as a result of military service.

### **Summary of Budget Authority**

**2022 Budget Authority Request: \$2.3 billion**

**Change over 2021 Estimate: + \$137.6 million / 6.4 percent**



### **Summary of Budget Request**

VA requests \$2.3 billion in budget authority to fund discretionary portions of the Disability Compensation Program to include administrative expenses of 17,114 full time employees (FTE), which represents an increase of 432 FTE.

<b>Disability Compensation</b>					
<b>Summary of Discretionary Appropriation Highlights</b>					
(dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct Compensation	15,505	15,021	15,021	15,453	432
Management Direction and Support	1,697	1,661	1,661	1,661	0
<b>Total FTE</b>	<b>17,202</b>	<b>16,682</b>	<b>16,682</b>	<b>17,114</b>	<b>432</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$1,828,184	\$1,793,295	\$1,810,238	\$1,944,679	\$134,441
Overtime	37,626	37,333	37,333	37,333	0
Travel	2,503	28,214	28,214	28,771	557
Interagency Motor Pool	2,905	2,929	2,929	2,988	59
Transportation of Things	1,615	904	904	922	18
Rent, Communications & Utilities	116,869	132,427	132,427	135,075	2,648
Printing	169	1,360	1,360	1,387	27
Other Services	2,031,728	2,402,965	2,841,115	3,399,276	558,161
Supplies and Materials	1,012	4,356	4,356	4,455	99
Equipment	5,175	17,865	17,865	18,235	370
Insurance Claims	1,071	995	995	1,015	20
<b>Total Administrative Obligations</b>	<b>\$4,028,857</b>	<b>\$4,422,642</b>	<b>\$4,877,736</b>	<b>\$5,574,136</b>	<b>\$696,400</b>
Reimbursements	-\$1,797,867	-\$2,240,894	-\$2,681,608	-\$3,294,935	-\$613,327
<b>Unobligated SOY</b>	<b>-\$76,552</b>	<b>\$0</b>	<b>-\$54,500</b>	<b>\$0</b>	<b>\$54,500</b>
GOE Carry Over	-\$76,500	\$0	-\$54,500	\$0	\$54,500
Recycling	-\$52	\$0	\$0	\$0	\$0
<b>Unobligated EOY</b>	<b>\$11,052</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
GOE Carry Over	\$11,000	\$0	\$0	\$0	\$0
Recycling	\$52	\$0	\$0	\$0	\$0
Unobligated Bal Expiring	\$69,000	\$0	\$0	\$0	\$0
<b>Net Appropriation</b>	<b>\$2,234,490</b>	<b>\$2,181,749</b>	<b>\$2,141,628</b>	<b>\$2,279,201</b>	<b>\$137,573</b>
Rescission	\$0	\$0	\$11,678	\$0	-\$11,678
<b>Total Appropriation</b>	<b>\$2,234,490</b>	<b>\$2,181,749</b>	<b>\$2,153,306</b>	<b>\$2,279,201</b>	<b>\$125,895</b>
<b>Outlays (net)</b>	<b>\$2,071,963</b>	<b>\$2,129,157</b>	<b>\$1,961,670</b>	<b>\$2,116,488</b>	<b>\$154,818</b>

Dollars may not add due to rounding in this and subsequent charts.

### Changes from Original 2021 Estimate

Total obligations increase \$455.1 million for the increased Compensation and Pension (C&P) medical disability examinations request and the 1.1 percent increase in Federal Employees Retirement System benefits.

### Changes from 2021 Current Estimate to 2022 Request

Total obligations increase \$696.4 million from the 2021 current estimate for claims processing activities primarily attributed to an additional \$558.1 million needed to support the increase in contract medical disability exams. This request also includes an additional \$134.4 million to support an additional 334 FTE to support processing for related Agent Orange (AO) claims. Ninety-five FTE will enable VBA to continue to maintain timely claims processing and to reduce the current disability compensation claims inventory. Three FTE will support increased contract

medical exams. A further breakdown of these FTE is provided below. The remaining \$3.8 million in non-pay for the anticipated two percent increase in inflation.

The 2021 National Defense Authorization Act (NDAA), P.L. 116-283, includes an amendment that expanded the list of diseases associated with AO exposure to include Parkinsonism, hypothyroidism and bladder cancer. The requested staff for AO operations will support operational requirements to process the additional AO claims resulting from the expanded list of medical conditions.

## **Program Description**

Disability compensation is a tax-free monetary benefit paid to Veterans with disabling conditions that are the result of a disease or injury incurred or aggravated during active military service. By 2022, rating claim receipts will have increased by 85 percent and non-rating claim receipts will have increased by 67 percent since 2013. In 2022, the Disability Compensation program will complete 1.7 million disability compensation rating claims, with the average number of days pending of 85 days, the average number of days to complete of 99 days and an inventory of approximately 100 thousand claims pending more than 125 days.

As of May 2021, VBA's claims backlog was 189 thousand. This is a 12% improvement over the January high point of 216 thousand claims. In April 2021, the backlog dropped under 200 thousand for the first time since August 2020. While this milestone reflects the ongoing work by VBA staff and external partners, it also reflects typical seasonality, lower receipts during December and January translate into fewer aging claims in April. However, VBA estimates the backlog will peak at over 235 thousand claims this summer, due to the court ordered Nehmer readjudications. VBA anticipates getting back to the 100 thousand level by the end of 2022.

In 2020, the Disability Compensation program completed 1.3 million disability compensation rating claims, with an average number of days pending of 129 days, average number of days to complete of 95 days and an inventory of 244 thousand pending more than 125 days. In 2013, Veterans were waiting 378 days for a rating claims decision versus 95 days in 2020. The Disability Compensation program is also committed to ensuring that Veterans' claims are decided accurately, as reflected by achieving a rating quality of 95.3 percent in 2020, when the goal was 96 percent.

The Disability Compensation program has increased claims production through process optimization and automation to help keep pace with increases in claims receipts. Compensation Service (CS) as the program office uses evidence-based budgeting and work measurement studies to determine the staffing levels required. The work measurement studies reevaluate the amount of time it takes claims processors to complete standardized actions. New work measurement standards were released in 2019. Compensation Service uses those standards in conjunction with anticipated claims receipts and current inventory to estimate the number of staff required for claims production. Compensation Service researched alternatives to this method and believes that right sizing its' workforce will decrease its over-reliance on overtime. Using work measurement studies best represents the time it takes employees to process each step in a claim, allowing staffing levels to be tied to anticipated receipts. This reduces the over-reliance on using overtime. Process optimization and automation has led to more efficient claims processing.

VBA is committed to Veteran employment. Fifty-nine percent of employees working under the Disability Compensation program are Veterans, and 90 percent of those employees are directly responsible for processing compensation claims and appeals, which entails gathering evidence, requesting disability examinations and making decisions. The remaining staff are managers, administrative support staff, and central office staff. The programmatic activities outlined in this chapter could not be accomplished without the management and executive leadership, who provide mentoring and oversight.

The Medical Disability Exam (MDE) Program continues to grow and completed 77 percent of all disability examination requests through the Disability Compensation program contract vendors in 2020, a 12 percent increase. The COVID-19 pandemic affected MDE output. In-person examinations were suspended from April to May 2020, and completed examinations dropped by 60 percent. The Disability Compensation program responded by completing 40 percent of exams increasing use of Acceptable Clinical Evidence (ACE) and Tele-C&P examinations. By April 2021, MDE completed 44,513 (6.4 percent) of examinations using ACE and 47,627 (6.9 percent) of examinations using Tele-C&P. The Veterans Health Administration (VHA) transitioned compensation examinations to the Disability Compensation program in April 2020, allowing VHA to realign resources to its COVID-19 response.

The COVID-19 pandemic affected VBA's business operations, and VBA adjusted by moving to a virtual operating posture. Veteran Service Centers, district offices, central office and out based locations adjusted in-person staffing to protect employees and veterans. VBA suspended all non-essential travel, such as service center training events, employee development training, in-person residency training for new or newly promoted employees, listening tours, outreach, quality assurance site visits and advisory board meetings. The National Personnel Records Center (NPRC) also slowed activities producing federal records in March of 2020.

In April 2020, VBA received supplemental funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES), P.L. 116-136, of which five million was used for overtime to mitigate the growing claims inventory. Subsequently, VHA was authorized to transfer \$140 million in CARES funding to VBA to support additional overtime. As of May 2021, VBA has transferred \$75 million of this funding, and plans to transfer the remaining balances that can be executed later in the year. A subsequent COVID-19 related stimulus law, the American Rescue Plan (ARP), P.L. 117-2, was enacted in March 2021 and provided VBA an additional \$262 million for claims processing activities.

In 2020, the Disability Compensation program received 1.5 million rating claims and completed 1.3 million claims. There was a drop in the number of claims that were processed as a result of COVID-19 slowing the evidence supply chains for the medical examinations and federal records critical to completing most claims.

The COVID-19 pandemic has had a major impact on pending examinations with only ACE and Tele-C&P examinations conducted from March to May 2020. As of September 30, there were over 348 thousand exams pending. Before the pandemic, the average running total of pending examinations was approximately 100 thousand. In-person examinations resumed on June 8. VBA was able to complete more contracted exams in 2020 than in 2019 even with the pandemic by

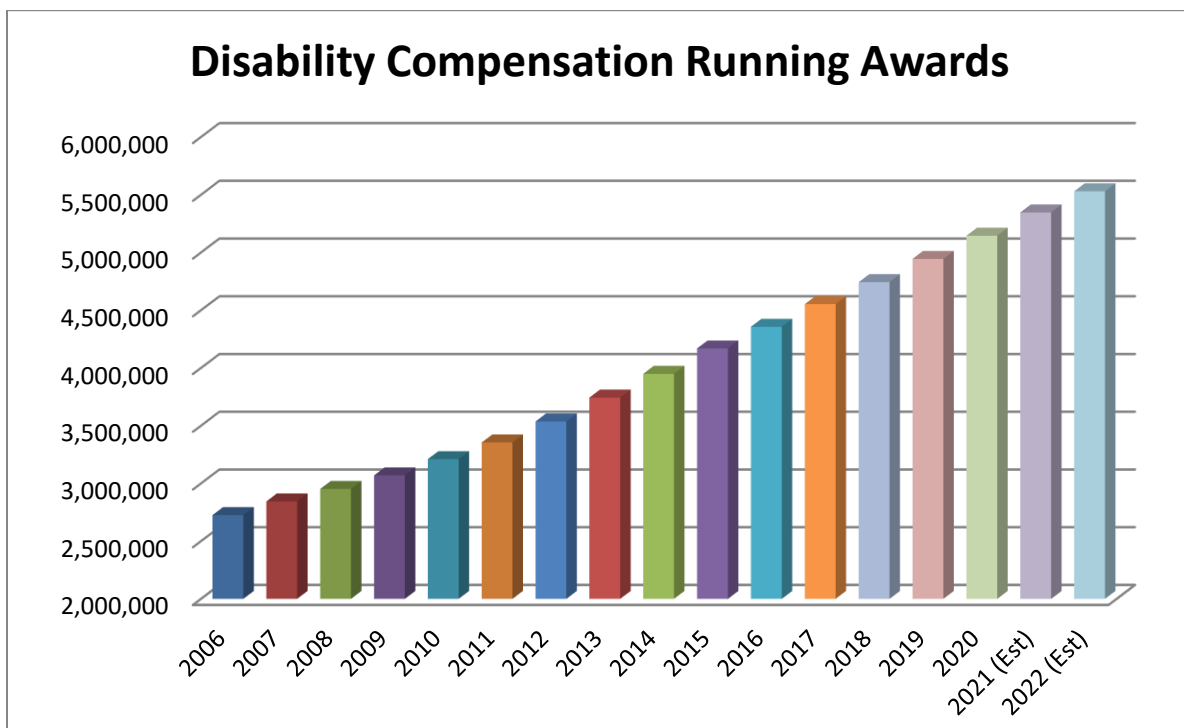
using ACE, video teleconference appointments, or Tele-C&P when possible. VBA completed 1,063,587 examination requests in 2020, as compared to 1,061,789 for 2019. VBA will complete contract medical examination requests for over 1.9 million unique Veterans/Service members in 2021 and over 2.3 million in 2022. On average each examination request yields three separate evaluations for 6.9 million completed Disability Benefits Questionnaires.

Beginning in 2021, the Medical Disability Examination Program Office was separated from Compensation Service to become the new standalone Medical Disability Examination Office.

### Workload

Compensation Service recognizes the importance of consistent recruitment, development and employee promotion. The following tables provide a summary of the VBA compensation workload and direct FTE projections:

<b>Projected Compensation Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Compensation Direct Labor FTE	14,558	15,505	15,021	15,453
Rating Receipts Compensation Claims	1,316,928	1,454,097	1,600,121	1,610,657
Rating Production Compensation Claims	1,322,139	1,337,075	1,559,994	1,671,588
Year-end Inventory Compensation Claims	332,884	449,906	490,033	429,102



A quarter of the 20 million Veteran population receive disability compensation. In 2022, Compensation Service projects an increase in the number of compensation beneficiaries requiring award adjustments due to dependency changes, requests for ancillary benefits, clothing allowances, specially adapted housing, requests for eligibility certifications for determining entitlement from other agencies and program reviews.

The Disability Compensation program strives to complete all rating claims in less than 125 days. The Disability Compensation program sends correspondence letters to all Veterans, providing them with needed information from the time the claim is filed until a final claim decision is completed. Also, Veterans can reach out and ask questions using VA's toll-free number from 8:00 am to 9:00 pm Eastern Time, or use VA's online self-service features at va.gov to receive status updates or ask benefit related questions. The following are examples of when a claim may take longer than 125 days to complete:

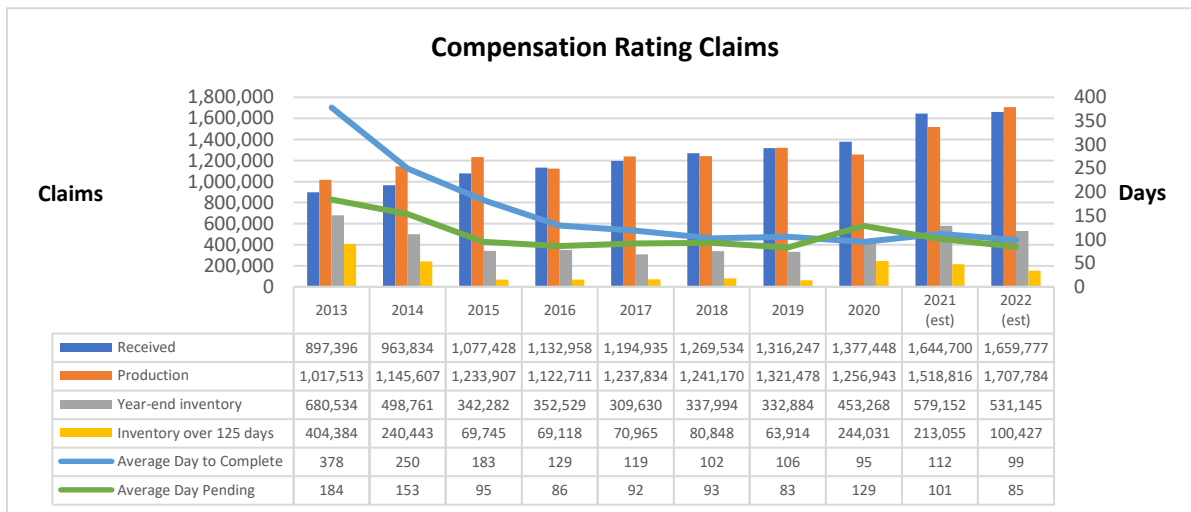
- Veterans claim new conditions before a decision is made on their earlier claimed issues
- Veterans submit new additional evidence for pending claims late in the process
- Veterans ask the Disability Compensation processor to reschedule their medical examinations for personal reasons
- The Disability Compensation processor identifies additional disabilities that the Veteran did not claim
- The Disability Compensation processor identifies additional benefits, such as adapted housing or a total evaluation based on the inability to maintain gainful employment
- Claims that involve complex conditions, such as exposure to radiation or environmental contaminants
- Claims containing numerous conditions requiring additional development activities

### Compensation Claim Types

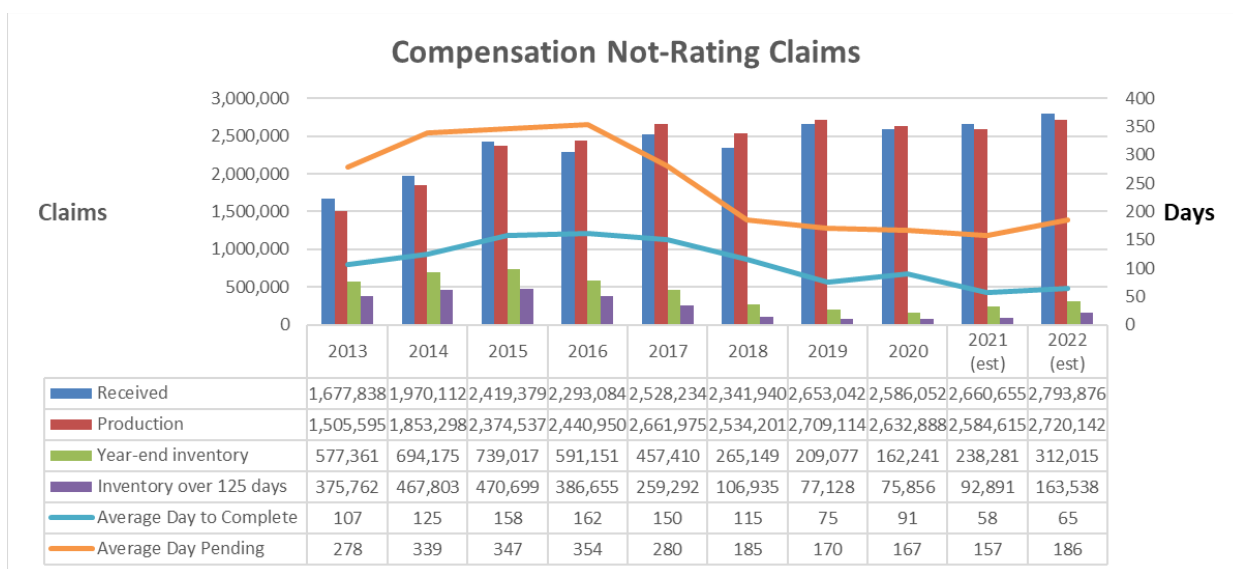
The Disability Compensation program divides its work into two broad categories of rating and other than rating. These categories are used to monitor the workload tracking, reporting and employee and regional office (RO) performance. The Disability Compensation program has a balanced approach to workload management to ensure timely completion of claims. Work is aggregated into the following categories:

- **Compensation Rating Claims:** claims filed by Veterans for disabilities and require a rating decision. The following chart shows the receipts, completions, pending inventory, the associated age of the inventory and average days to complete.





- **Compensation Other Than Rating Claims:** claims that do not require a rating decision fall into three categories:
  - **Compensation Non-Rating Claims:** modifications to current benefits. These include adjustments for dependency changes.
  - **Compensation Controlled End Products:** administrative review of claims, radiation cases and temporary 100 percent disability evaluations. This includes other controlled work received that does not affect entitlements or require any adjustment to monetary benefits, such as responding to correspondence.
  - **Compensation Non-Rating Other End Products:** spina bifida, other birth defects, amyotrophic lateral sclerosis, exposure to environmental hazards, mustard gas, Veteran Readiness and Employment (VR&E) eligibility, dependents' educational assistance, social security verification, Individual Unemployability and requests for information under the Freedom of Information Act and Privacy Act.



In 2020, the Disability Compensation program continued to reduce reliance on overtime funding. The \$37.6 million expended in 2020 was 70 percent lower than 2015. Compensation Service predicts that non-original, supplemental, Blue Water Navy (BWN) and AO claims will continue to drive an increase in inventory.

### Workload Relabeling

Compensation Service is modernizing its current workload structure to improve customer understanding and transparency. Compensation Service is replacing the current terminology with:

- **Direct Benefits:** claims for monetary benefits.
- **Benefit Adjustments:** ancillary claims that require a Veteran to be receiving direct benefits before they may be eligible. Examples are dependent benefits, automobile allowance and specially adapted housing.
- **Required Benefit Reviews:** audits based on information received from other government entities, internal audits or other reviews. Examples include data matches with the Bureau of Prisons, Social Security Administration and DoD.
- **Unique Eligibility Decisions:** requests for Veteran status eligibility determinations that are separate and unique from benefit claims. This includes decisions on dishonorable discharges to determine eligibility for health care and Filipino Equity Act claims.
- **Informational Requests:** includes general correspondence, Freedom of Information Act requests, Privacy Act requests and Congressional correspondence.

Compensation Service will develop strategic service level goals, predictive models and change official reporting to stakeholders by these new categories in the next two years.

## **Highlights and Accomplishments**

### Public Law 116-23, Blue Water Navy Vietnam Veterans Act of 2019

The law changed VA's presumption for herbicide exposure to include Veterans who served on a vessel that navigated within a specified distance of the Republic of Vietnam, the timeframe for Veterans who served in or near the Korean Demilitarized Zone (DMZ) to September 1, 1967 and August 31, 1971 and extended spina bifida benefits to include children of Veterans who were exposed in Thailand. Compensation Service implemented the provisions of the new law to process BWN claims from the following groups:

- New claims
- Previously denied claims
- DMZ new claims
- Spina bifida claims for Thailand

The program estimates receiving 238 thousand BWN claims and almost 36 thousand BWN appeals by 2024. VBA has collaborated with the National Archives and Records Administration (NARA) to digitize more than 10 thousand Official Military Personnel Files (OMPF) and approximately two million archival U.S. Navy and Coast Guard deck logs. This included extracting pertinent information such as ship name, hull number, date and the latitude/longitude (potentially more than one per day). This information now assists claims processors in making eligibility determinations. The scanned copies are included in the Veteran's case file.

Compensation Service centralized BWN claims processing to prioritize these complex claims. The program has received 70 thousand BWN claims by the end of 2020 and completed more than 34 thousand. The program granted nearly 24 thousand (70.7 percent) awards. VBA has provided more than \$664 million in retroactive benefits to Veterans or their surviving spouses.

#### VA Schedule for Rating Disabilities (VASRD) Modernization

Compensation Service is continuing to revise and update the 15 body systems contained in the VA Schedule for Rating Disabilities (VASRD) in 38 CFR Part 4, under the authority of Title 38 USC §1155. Compensation Service has allocated \$22.2 million in 2021 for this initiative.

The purpose of these changes is to incorporate medical advancements that have occurred since the last review, update current medical terminology and further clarify evaluation criteria. Compensation Service will provide a more accurate rating system and ensure that Veterans with service-connected disabilities are compensated for average earning impairment based on modern medical standards. The Disability Compensation program is utilizing two research contracts to collect data to facilitate this effort. The first is the Earnings Loss Study (ELS), which incorporates economic, data driven measurements from the Census Bureau and Social Security Administration on aggregate actual loss in earning capacity for Veterans with various types and combinations of conditions as well as medical and scientific data to update VASRD and is in its final phase of building out a model that will deliver data driven, recommendations for additional diagnostic codes for future VASRD revisions. Once completed, CS will support a five-year diagnostic code revision cycle. The second is the Modern Claims Processing contract, which maps medical data from VHA and DoD to VASRD to support decision making and enable future automation.

Compensation Service published the Genitourinary Proposed Rule in the Federal Register in 2019, and the Musculoskeletal Final Rule was published in 2020. VA will continue completing updates to all 15 body systems as final regulations in the rating schedule and incorporate changes in systems, procedures manual, training and Disability Benefits Questionnaires used for medical disability examinations. The next cycle of review for the VASRD will begin in 2021.

#### National Quality Assurance

The Disability Compensation program has a rigorous national quality assurance portfolio that improves decision accuracy. The program dedicates approximately 5 percent of its workforce to quality efforts. CS will conduct at least 10 national Compensation Service Quality Calls annually and monthly District Quality calls. The Quality Management System database, which CS uses to support local and national Systematic Technical Accuracy Reviews (STAR) reviews, provides a more comprehensive analysis of quality data enabling tailored feedback and training. The Disability Compensation program expects to complete 550 thousand Individual Quality Reviews in 2020. CS conducts 12 thousand national STAR accuracy reviews a year. CS is developing a three-year Oversight and Compliance Visit schedule for compliance visits at minimum of 11 ROs each year using a combination of onsite and virtual methods.

Compensation Service conducts comprehensive national accuracy reviews for disability compensation rating and non-rating claim types. In 2020, 31 thousand rating claims were reviewed with an accuracy of 95.3 percent, nearly meeting the goal of 96 percent, and five thousand non-rating claims with an accuracy of 93 percent, exceeding the goal of 91 percent. Compensation Service purchased a third-party statistical sampling assessment which resulted in a smaller sample

size for national quality reviews. The resource savings created were reinvested into other claims processing activities.

### **Providing Veterans with Earned Benefits**

#### Agent Orange

The National Defense Authorization Act for 2021 added three new conditions (Parkinson's-like symptoms, bladder cancer, and hypothyroidism) to the list for exposure to Agent Orange during the Vietnam War. VA estimates these conditions will make nearly 38 thousand Veterans and more than one thousand Survivors eligible to receive (new or increased) recurring benefit payments. Compensation Service estimates 53 thousand claims would be received in the first year and 160 thousand over five years.

#### Contract Medical Examinations

The MDE Program provides disability examinations for Veterans both domestically and internationally, allowing VHA's C&P examination capacity to focus on specialty exams such as Former Prisoners of War (FPOW) exams. Compensation Service will need \$3.3 billion in mandatory reimbursable funding to ensure the success of the MDE program in 2022.

In 2020, there were over 348 thousand exams pending. Before the pandemic, the average running total of pending examinations was approximately 100 thousand. In-person examinations resumed on June 8, 2020. The MDE Program completed over one million examination requests in 2020, but 58 thousand less than 2019. The MDE Program will complete contract medical examination requests for over 1.9 million unique Veterans/Service members in 2021 and over 2.3 million in 2022. On average each examination request yields three separate evaluations for 6.9 million completed Disability Benefits Questionnaires.

#### Pre-discharge Programs

VBA's goal is to ensure that Service members who are within 180 to 90 days from military separation and wish to file a claim with VA for service-connected disability compensation benefits receive upfront and timely assistance in doing so. The Benefits Delivery at Discharge (BDD) program has provided transitional assistance to separating or retiring Service members and engaged Service members in the claims process before discharge.

Through the Integrated Disability Evaluation System (IDES) program, VBA partners with DoD to provide medically discharged Service members with a single set of disability examinations and a single-source disability rating that may be used by both departments in executing their respective responsibilities.

In 2020, more than 21 thousand BDD claims were completed with an average days to complete of 41 days. Fifty-one percent of applicants received benefit decisions within 30 days of discharge. Compensation Service conducted targeted visits to Camp Pendleton, Balboa Naval Medical Center, Marine Corps Air Station Miramar and Naval Base (NB) San Diego to check on the implementation of IDES Parallel Processing Proof of Concept. This effort assists Disability Rating Activity Sites. VBA welcomed National Oceanic Atmospheric Administration into the IDES/BDD process in 2020, to assist with their officers' claims.

### Records Research Center (RRC)

The Department of Army's Office for Unit Records Response conducts research for CS on AO and Post Traumatic Stress Disorder (PTSD) claims where the research request is for an event or incident that happened under 30 years ago. The RRC searches personnel files for claims where the stressor indicators are older than 30 years. Compensation Service developed and deployed a workflow engine tool within the Veterans Benefits Management System (VBMS) that provides a fully searchable digital image repository. This stores the digitized records and tracks current tasks. Compensation Service is targeting a full operational capability by the end of 2021. The VA-Army IT interface is critical for the RRC and the Department of the Army to process these claims. Compensation Service plans to implement a scanning solution for daily research and add Coast Guard records.

### **Ensuring Strong Fiscal Stewardship**

#### Private Medical Records (PMR) Program

This program reduces the time it takes CS to obtain records from private healthcare providers. Contractors contact the medical providers and upload the records into the claimant's VBMS eFolder in an average of 11 days or less. The program enables CS staff to focus on more complex claim activities, which improves claims processing time by reducing up to 29 days from the traditional development process. The PMR program has retrieved records from approximately 252 thousand different private healthcare providers. CS received responses from more than 160 thousand requests for medical records in 2020. Compensation Service projects that obtaining the anticipated volume of records will cost \$9.7 million in 2021 and \$10.3 million for 2022. The program has an independent verification and validation support effort in place to ensure compliance and protect Veteran data.

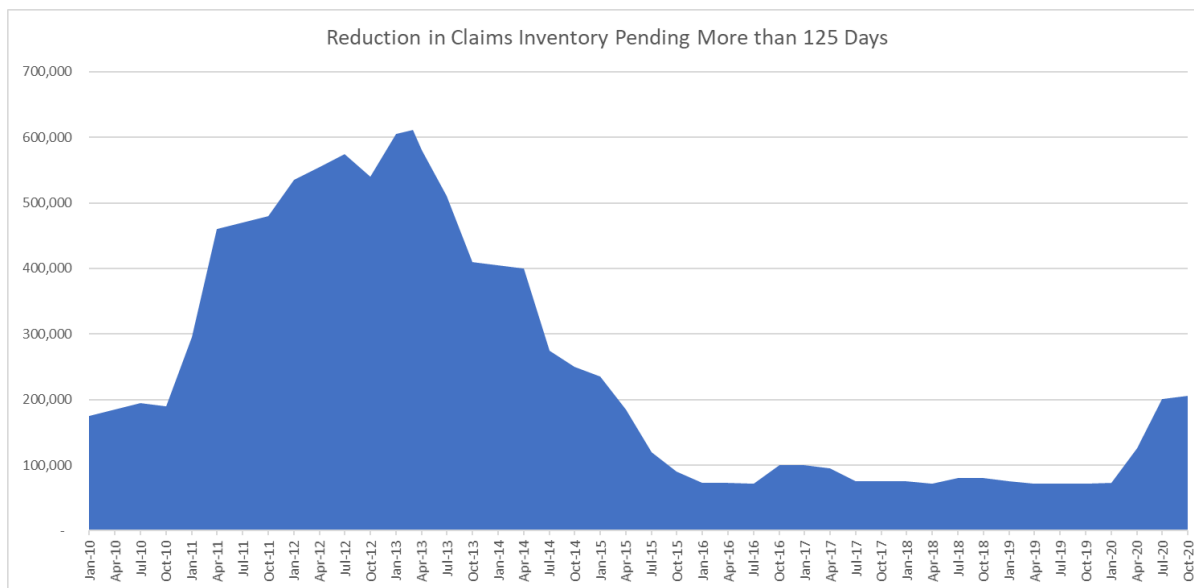
Compensation Service has processed more than one million PMR requests, a historic milestone. Private Medical Record processing costs \$86 per retrieval. In 2020, foreign PMRs were added. This implementation reduces retrieval time for those claims by 40 days. Compensation Service has deployed email services to transmit PMR requests to foreign and domestic providers. Compensation Service is developing translation abilities to convert foreign PMRs into English-translated products without end-user involvement. Future plans also include incorporating capabilities of VHA's Electronic Health Record System.

#### Centralized Mail Operations

This initiative routes paper mailings to scanning sites where it is digitized and loaded into VBMS. This eliminates mail costs for shipping communications and increases timeliness in claims processing. More than 41 million mail packets have been processed. The average mail-processing time has decreased from 55 business days to less than two.

#### Veterans Claims Intake Program (VCIP)

VCIP is an integral part of CS claims processing framework by ensuring information is scanned and digitally available to personnel across the enterprise within two days of receipt. More than 5.4 billion images have been created, with an image quality rating higher than 99 percent. Digitization was one of the most impactful transformation initiatives in the Disability Compensation program's history, saving more than \$50 million per year in reduced shipping and storage costs. Veterans Claims Intake Program creates the files necessary for VBMS and Centralized Mail to operate.



VCIP produces more than 600 million images each year, and administers all record extraction and conversion services. These services manage the receipt, control and digitization of original source materials into standardized, indexed and searchable electronic formats. VCIP now does the automated correspondence printing. As physical mail becomes less used, there are increased opportunities in electronic communications. VCIP is observing how best to communicate with Veterans and is positioned to meet emerging preferences. In 2021, VCIP will electronic outbound communications to leverage what we have learned. This will further reduce printing and shipping costs.

In 2022, VCIP will continue modernizing VBA’s FOIA/Privacy Act (PA) requests. This has already reduced the inventory by 20 percent and improve timeliness by 10 days.

#### Reducing Improper Payments to Veterans

Compensation Service performs regular data matches with other federal agencies to identify potential overpayments or duplicative payments due to a Veteran’s return to active duty, performing reserve duty, being incarcerated or death. The Benefits Delivery & Protection Division’s (BDPD) mission is to reduce fraud, waste and abuse. Benefits Delivery & Protection Division is utilizing advanced analytics to find and audit improper benefits payments and victims of identity theft.

In 2020, BDPD found \$53.8 million in improper payments or 0.07 percent of all compensation payments. The best practices included:

- Conducted mandatory training on over evaluations, under evaluations and authorization issues
- Conducted special focused reviews for dependency claims
- Disseminated national guidance on common errors found during quality reviews
- Reviewed and updated procedural guidance based on errors found

VBA also utilized advanced analytics to accomplish the following:

- Identify over 44 percent of all stolen benefits payments
- Recover \$5.5 million in stolen benefits
- Protect \$475 million in current benefits
- Investigate more than 18 thousand incidents
- Identify 20 thousand deceased dependents, saving taxpayers roughly \$40 million in 2020

### **Fostering a Culture of Collaboration**

#### **Virtual and In-Person Progression (VIP) Training**

Compensation Service transitioned its current centralized Challenge training program for Veterans Service Representatives (VSRs) into a new model aimed at reducing the length of time it takes to hire and make employees productive. The benefit of VIP is that VSRs are onboarded, trained and become productive faster. CS also expects to capture cost savings due to elimination of travel and lodging.

Ten ROs participated in the initial launch of VIP training in 2020. Six VIP sessions were conducted and more than 700 employees were trained in 2020. New Non-Rating training curriculum for special missions was created. Compensation Service used QMS to incorporate trainee reviews and existing performance reports into the curriculum and created a Single Signature Authority document to ensure consistency across the nation when evaluating training performance.

#### **Challenge Training**

Challenge is the legacy in-residence training program focused on providing new VSRs and Rating Veteran Service Representatives (RVSRs) with the technical skills required for claims development and decision-making. In response to the COVID-19 pandemic, VBA transitioned to a 100 percent virtual training platform. The Disability Compensation program trained three thousand new claims processors (2,058 VSRs, 867 RVSRs, and 4 Military Service Coordinators) during the seven Challenge and six VIP Training sessions in 2020. Challenge training is now two separate standalone modules comprised of a four-week Pre-development Instructor-Led Web-based Training (IWT) and a one-week Post-development IWT. Each are followed by a two-week in-person residency at the local regional offices. Separate national training for BWN, AO and VASRD claims updates were developed and deployed to claims processors.

#### **Warrior Training Advancement Course (WARTAC)**

WARTAC is an entry-level education and employment opportunity for Wounded Warriors and transitioning Service members to complete Challenge training while still on active duty. Successful completion of the training program allows Service members to apply for VSR or RVSR positions at VBA. The program provides in-person training at an approved military installation. Localized training saves travel and salary costs, more than \$4 million a year. 99.4 percent of WARTAC graduates meet or exceed performance standards (96.7 percent are exceeding; 2.7 percent are meeting) and the CS retention rate for WARTAC trainees is 75 percent.

In 2020, 187 Service members graduated from WARTAC training, with 174 accepting VSR positions. A total of 1,359 graduates, or 92.3 percent, have been hired overall. In 2022, Compensation Service plans to expand WARTAC's footprint from Germany to Korea and Hawaii, increasing the number of trainees by 30 percent.

#### National Training Curriculum (NTC)

The National Training Curriculum is a culmination of specialized coursework which provides training to employees responsible for achieving agency goals. In 2020, over 13 thousand claims processors have completed mandated training.

#### National Work Queue

NWQ functionality gives VBA the ability to assign any claim to one of its 56 ROs. NWQ currently has 22 employees supporting sustainment increased functionality. NWQ staff analyze the daily workload and distribute it by national availability to current workload goals.

The Disability Compensation quality assurance strategy normally returns incorrect claims to the employee who previously worked them as a means to provide feedback and training. Furthermore, 62 percent of the development work is returned to the office that completed the first action for claims processing efficiency. Unique Mission Tracking (UMT) provides a work queue for ROs that have special missions. Stations can manage their work using the VBMS queue.

NWQ plans to:

- Add public contact workload
- Add editable Work Types
- Add higher-level reviews (HLR)
- Eliminate custom tracked items
- Provide users with a standardized list of tracked items

#### National Call Centers (NCC)

The NCCs are located in Jacksonville, NC; Columbia, SC; Cleveland, OH; Nashville, TN; Philadelphia, PA; Phoenix, AZ; Salt Lake City, UT; San Juan, Puerto Rico and St. Louis, MO. The NCC fields calls from 8:00 am to 9:00 pm Eastern Time. If a Veteran calls after normal business hours, he or she can access some information and self-service features through a speech directed language interactive voice response (IVR) system. Callers also receive information on accessing benefits information and assistance via va.gov or eBenefits. VBA will fully sunset the eBenefits portal in March 2022 and exclusively use VA.gov. Most features have already migrated to VA.gov, including filing a claim, claim status, Chapter 36, direct deposit, payment history and uploading evidence.

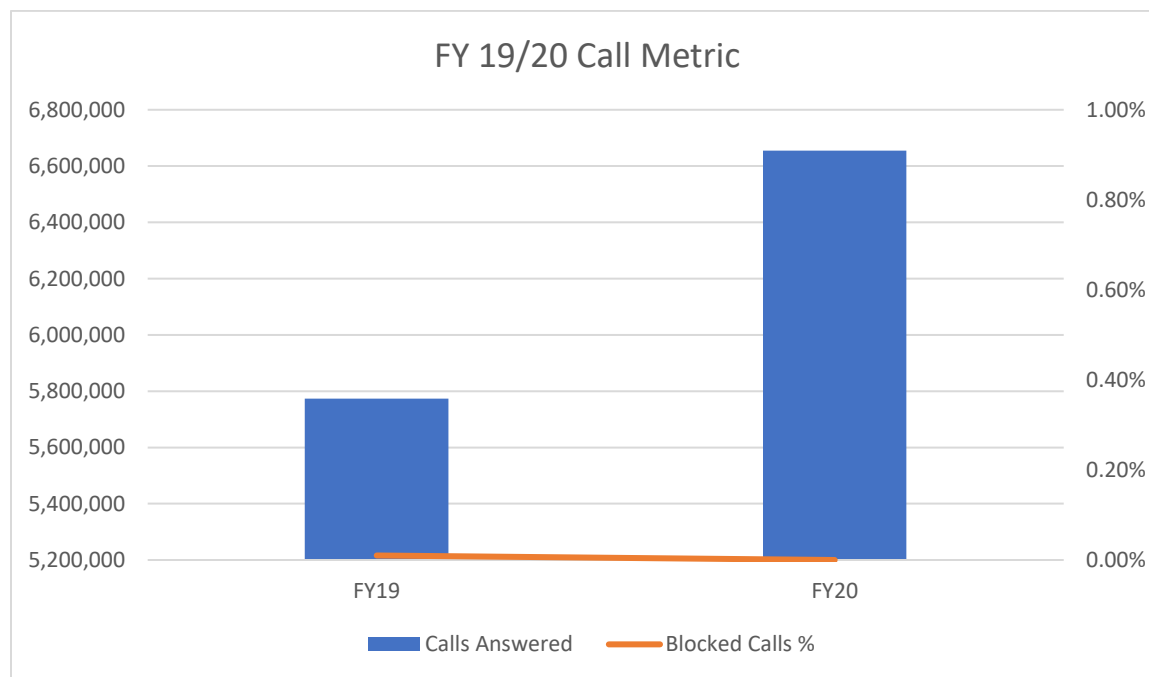
CRM/UD-O allows agents to capture core demographic and contact history information. In 2020, the NCC updated two CRM/UD-O workflows, dependent maintenance and first notice of death. The dependent maintenance workflow in CRM/UD-O improved agent efficiency for 200 thousand dependency actions. The updates included increased functionality that allows agents to submit two additional dependency claim types (adding a school age child and removing a spouse due to death or divorce). The NCCs were able to process more than 30 thousand additional dependency claims.



An enhanced First Notice of Death (FNOD) workflow in CRM/UD-O was implemented that improved agent efficiency by condensing all functionality into one entry screen. The improvements in the entry process and updated workflow includes functionality that automatically completes an SSA deathmatch check before auto-processing of burial benefits, month of death benefits and auto award of DIC. This enhancement will eliminate payments to deceased survivors for all FNODs processed Via CRM/UD-O in the NCCs.

Agents provide callers with the status of their claim or appeal and verify receipt of submitted evidence. Agents are trained to take immediate action on any issues or concerns raised by the caller. NCC agents strive to resolve all issues during the call, eliminating repeat calls and unnecessary organizational hand-offs. The Disability Compensation program is increasingly utilizing the NCCs to resolve low-complexity claims at the call agent level, freeing up program resources to concentrate on more complex claims. In 2020, NCCs prepared and provided more than 400 thousand Veteran requested letters via encrypted email, mail or fax.

In 2020, NCC maintained a blocked call rate of 0 percent and an abandoned call rate of 6.9 percent. The abandoned call rate improved 16.8 percent from 2019. The NCCs answered 6.65 million calls in 2020, an increase of more than 800 thousand from 2019. NCCs reduced the average wait time from 13 minutes to three minutes. The most recent monthly averages are less than thirty seconds.



The primary call types are status of the claim (35 percent), correspondence and forms (12 percent), general benefits information (9 percent), updated information (8 percent) and payments and debts (6 percent). NCCs answered more than 216 thousand Board of Veterans' Appeals calls. Agents now provide appeal status, change of address, change of direct deposit, verification of the status of submitted documents and complete letter requests during the call.

NCCs conducted comprehensive reviews on accuracy and customer service on over seven thousand telephone calls and IRIS inquiries. NCCs achieved an overall score of 92 percent for phone quality (two percent above target) and an IRIS quality score of 96 percent (one percent above target). The NCCs also implemented quality reviews for Spanish speaking customers.

Planned activities for 2021 include the following:

- Increase contact center hour coverage
- Transition Fiduciary calls to the NCC from the Fiduciary Hubs
- Redesign the IRIS inquiry process to distribute active inquiries based on capacity by location.
- Implement the chat access channel
- Conduct an operational assessment
- Expanded real time feedback and mentoring for call agents
- Special focused reviews for special missions and emerging issues

#### Outreach (Traditional and Virtual)

The Office of Outreach & Stakeholder Engagement (O&E) within the Office of Field Operations (OFO), is responsible for all VBA outreach. The Office of Outreach & Stakeholder Engagement also maintains national, state and local partnerships that engage specific Veteran populations, such as minority, women, elderly, homeless, FPOWs, rural, faith-based, Native American and incarcerated Veterans.

In response to the COVID-19 pandemic, O&E transitioned to virtual outreach to Veterans. The communication plan encouraged ROs to use alternative outreach methods such as virtual claims clinics, town halls and information symposiums.

VBA participated in more than six thousand outreach events in 2020, reaching over 348 thousand Veterans participants. This included 24 thousand homeless and at-risk Veterans, eight thousand elderly Veterans, over 200 FPOWs, over five thousand minorities, three thousand Native American, six thousand rural Veterans and 95 thousand women Veterans. Targeted outreach efforts included conducting Stand Downs, claims clinics, participating in minority conferences, advisory committees and visiting nursing homes and homeless shelters.

In 2020, VBA conducted nearly seven thousand hours of outreach across almost two thousand virtual events, reaching over 62 thousand participants. VBA's Under Secretary for Benefits conducted 71 tele-town halls to states, reaching over 2.8 million people. Military Service Coordinators conducted in-person and virtual outreach to 15 thousand Veterans and dependents stationed abroad.



## *Pension, Dependency and Indemnity Compensation, Burial, & Fiduciary Programs*

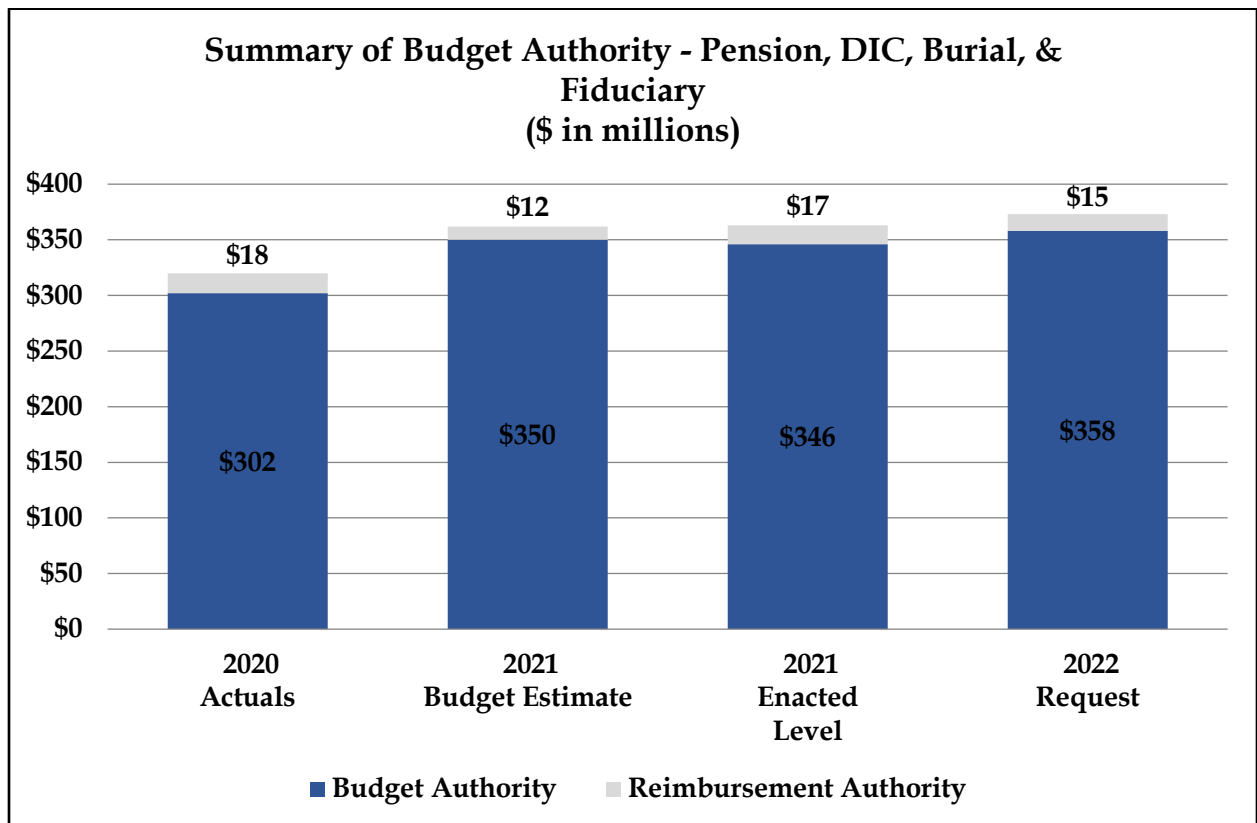
### **Mission**

Help Veterans and their families cope with financial challenges by providing supplemental income through Veterans and Survivors pension benefits, Dependency and Indemnity Compensation (DIC) and burial allowances while also providing oversight for VA's most vulnerable beneficiaries through the Fiduciary Program.

### **Summary of Budget Authority**

**2022 Budget Authority Request: \$357.9 million**

**Change over 2021 Estimate: \$ + 11.8 million / 3.4%**



## Summary of Budget Request

VBA requests \$359.9 million in budget authority to fund discretionary portions of the Pension, DIC, Burial, and Fiduciary (P&F) programs to include the administrative expenses for 2,797 FTE.

Pension, DIC, Burial, & Fiduciary Summary of Discretionary Appropriation Highlights (dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct Pensions	991	1,073	1,073	1,073	0
Direct Fiduciary	1,267	1,335	1,335	1,335	0
Direct Burial	117	118	118	118	0
<b>PenFid Direct FTE</b>	<b>2,375</b>	<b>2,526</b>	<b>2,526</b>	<b>2,526</b>	<b>0</b>
Management Direction and Support	260	271	271	271	0
<b>PenFid FTE</b>	<b>2,635</b>	<b>2,797</b>	<b>2,797</b>	<b>2,797</b>	<b>0</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$252,092	\$296,959	\$299,765	\$307,966	\$8,201
Overtime	6,328	2,000	2,000	2,000	0
Travel	2,102	2,134	2,134	2,177	43
Interagency Motor Pool	1,243	1,262	1,262	1,288	26
Transportation of Things	262	266	266	271	5
Rent, Communications & Utilities	18,106	18,418	18,418	18,787	369
Printing	395	402	402	410	8
Other Services	36,376	37,104	35,878	36,682	804
Supplies and Materials	1,056	1,073	1,073	1,095	22
Equipment	1,754	1,787	1,787	1,823	36
Insurance Claims	54	55	55	56	1
<b>PenFid Administrative Obligations</b>	<b>\$319,768</b>	<b>\$361,460</b>	<b>\$363,040</b>	<b>\$372,555</b>	<b>\$9,515</b>
Reimbursements	-\$17,792	-\$11,895	-\$16,904	-\$14,640	\$2,264
<b>Net Appropriation</b>	<b>\$301,976</b>	<b>\$349,565</b>	<b>\$346,136</b>	<b>\$357,915</b>	<b>\$11,779</b>
<b>Rescission</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,783</b>	<b>\$0</b>	<b>-\$1,783</b>
<b>Total Appropriation</b>	<b>\$301,976</b>	<b>\$349,565</b>	<b>\$347,919</b>	<b>\$357,915</b>	<b>\$9,996</b>
<b>Outlays (net)</b>	<b>\$289,832</b>	<b>\$340,826</b>	<b>\$344,612</b>	<b>\$354,989</b>	<b>\$10,377</b>

Dollars may not add due to rounding in this and subsequent charts.

## Changes from Original 2021 Estimate

Total obligations for pay increase by \$2.8 million for the 1.1% increase in Federal Employees Retirement System benefits.

## Changes from 2021 Current Estimate to 2022 Request

Total obligations increase \$9.5 million which includes \$8.2 million for the anticipated 2.7% pay raise. The additional \$1.3 million is based on an anticipated 2% increase for non-pay inflation.

## Program Description

P&F's [Pension](#) program provides monthly payments to wartime Veterans who meet age or disability requirements and whose income and net worth are within the yearly limits set by law.

Survivors of wartime Veterans may also be eligible for these monthly survivor's pension benefits if their income and net worth are within the yearly limits set by law.

The Dependency and Indemnity Compensation ([DIC](#)) program provides supplemental income for survivors of Veterans who died as a result of or related to their service-connected disabilities.

The [Burial](#) program provides financial assistance for the dignified burial of Veterans.

The [Fiduciary](#) program protects beneficiaries who, as a result of injury, disease, the infirmities of advanced age, or by reason of being less than age 18, are unable to manage their VA benefits.

An estimated \$308 million, or 83 percent, of the 2022 request is for salaries and benefits. VBA employs 931 pension employees in the Pension Management Centers (PMCs) located in Philadelphia, PA; Milwaukee, WI; and St. Paul, MN. A total of 710 employees are Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs) who are responsible for developing, adjudicating and promulgating pension, DIC, burial claims.

There are 221 employees functioning as supervisors, assistant supervisors, Claims Assistants (CAs), capture unit staff, Rating Quality Review Specialists (RQRSs) and Authorization Quality Review Specialists (AQRSs). The supervisors and assistant supervisors are responsible for ensuring all workload is processed consistent with employee performance standards. The CAs are responsible for reviewing claims material and establishing claims in the system as well as file and mailroom duties. The capture unit staff is responsible for scanning all claims that contain federal tax information into the Legacy Content Manager. The RQRSs and AQRSs are responsible for reviewing pending and completed work to ensure overall accuracy.

Dedicated Quality Review Teams (QRTs) at each PMC evaluate decision accuracy of the individual employees at the PMCs and perform in-process reviews to eliminate errors at the earliest possible stage in the claims process. The QRTs are comprised of 53 quality review specialists across three PMCs and are trained by national quality assurance staff to ensure local reviews are consistently conducted according to national standards. The QRTs have directly contributed to the overall accuracy rate of more than 93% of all claims by ensuring the claims submitted are adjudicated properly.

VBA employs 1,287 fiduciary employees in six Fiduciary hubs: Columbia, SC; Louisville, KY; Indianapolis, IN; Lincoln, NE; Milwaukee, WI; and Salt Lake City, UT. There are 528 field examiners (FEs) who conduct field examinations for beneficiaries P&F has determined are unable to manage their VA benefits. There are 418 legal instrumental examiners (LIEs) who finalize field examinations, release retroactive benefits, audit accountings and process misuse cases. 93 fiduciary service representatives (FSRs) are responsible for promulgating competency decisions. During fiduciary field examinations, FEs conduct face-to-face interviews and obtain appropriate signature(s) when appointing a fiduciary. LIEs, FSRs and FEs work to ensure benefits to Veterans and their survivors are receiving their benefits. There are 248 employees functioning as supervisors, assistant supervisors, management analysts (MAs), quality service representatives (QSRs) and program support assistants (PSAs). The supervisors and assistant supervisors are responsible for ensuring all workload is processed according to employee performance standards.

The MAs are responsible for analyzing workload and identifying workload trends. The PSAs are responsible for establishing claims in the system as well as file and mailroom duties. The QSRs are responsible for reviewing pending and completed work to ensure overall accuracy.

The National Pension Call Center was merged with the National Call Center (NCC) in 2019. This merger allowed P&F to increase hours of access for assistance with pension-related inquiries, reduce duplicative leadership positions and streamline operations. The employees of the NCC regularly answer inquiries on all VBA benefits, to include pension, survivor, burial benefits and are trained to address all issues or concerns presented by callers. This consolidation helped to ensure a consistent, high-quality experience for all callers across multiple access channels. These employees process more than 220 thousand first notice-of-death (FNOD) and intent-to-file notifications each year. This provides beneficiaries a personal means of submitting these notifications. The call center employees process FNODs and establish intent-to-file notifications as part of the phone call with the claimant. The processing and system updates occur within one day.

68 employees are at VBA Central Office (VBACO). P&F provides various support and oversight to the field to include updating policies, procedures, proposed legislation, drafting regulations, responding to congressional and field inquiries, developing and conducting training, performing quality assurance and oversight functions. P&F maintains open communication with PMC and Fiduciary Hub employees to provide consistent guidance ensuring benefits are processed correctly and timely.

As part of its quality and oversight process P&F uses special focused reviews and site visits to assess performance and compliance of policies and procedures. P&F continues to look for opportunities to enhance its processes, including modernization efforts such as Pension Automation.

### **Pension for Veterans and Survivors**

[Veterans' Pension](#) is a needs-based benefit program for wartime Veterans who are age 65 years or older or have a permanent and total non-service-connected disability or are in receipt of Social Security benefits, who meet service eligibility requirements to include at least one-day of war time service; and who have limited income and net worth. Based on financial need and eligibility requirements, this benefit may provide a single Veteran up to \$13,931 annually in 2021. Veterans who are more seriously disabled may qualify for pension at increased housebound rates (up to \$17,024 annually in 2021) or aid and attendance rates (up to \$22,238 annually in 2021). Surviving spouses and dependent children of deceased wartime Veterans are eligible for monthly pension benefits if they meet the net worth and income requirements. Based on financial need, this benefit may provide a surviving spouse with no dependents up to \$9,344 annually in 2021. The benefit amount increases according to the number of eligible dependent children. Surviving spouses may also qualify for pension at the increased housebound rate (up to \$11,420 annually in 2021) or aid and attendance rate (up to \$14,934 annually in 2021) for a more serious disability.

### **DIC and Parents DIC**

[DIC](#) benefits are provided to two categories of survivors. P&F provides monthly benefits to surviving spouses (basic monthly rate of \$1,357.56 in 2021) and dependent children in recognition

of the economic loss caused by a Veteran's death during military service, or after discharge from military service, because of a service-connected disability or a condition related to service. P&F also pays these benefits to the survivors of a Veteran whose death is not service-connected but who was rated by VA as being totally disabled due to a service-connected disability for a specified period immediately preceding death. In addition to the DIC Program for surviving spouses and dependent children, surviving dependent parents of a Service member or Veteran whose death is service-connected may be eligible for [Parents' DIC](#) if they meet certain income requirements.

## **Burial**

The [Burial](#) program provides a one-time payment for the burial of a Veteran. The maximum amount of the benefit varies depending upon whether the death was service-connected (two thousand) or non-service-connected (three hundred) and whether the Veteran died in a VA facility (\$807 for 2021). The benefit will generally cover a portion of the actual cost of the funeral and burial expenses up to the maximum amount prescribed by law. Veterans entitled to non-service-connected burial or who died in a VA facility may be entitled to a plot allowance (\$807 for 2021). A reimbursement for transportation expenses may be payable for Veterans buried in a National Cemetery or who passed away in a VA Medical Facility.

## **Fiduciary**

The [Fiduciary Program](#) provides oversight for VA's most vulnerable beneficiaries who are determined by P&F to be unable to manage their VA benefits. P&F conducts an initial field examination to identify, investigate and appoint a fiduciary. A field examiner conducts an interview with the beneficiary to determine their needs, wants, inform the fiduciary of their [responsibilities](#) and monitor the performance of the fiduciary. P&F conducts follow-up oversight through follow-up field examinations and financial reviews, to ensure that the fiduciary is properly managing the beneficiary's funds and ensuring all needs are being met.

In 2020, P&F actively served more than 162 thousand beneficiaries represented in all VA benefit categories. Upon appointment by P&F, a fiduciary is authorized to receive direct payment of a beneficiary's VA benefits and to disburse funds to creditors and the beneficiary.

P&F has taken steps to improve the efficiency of the program by developing training tools for [Fiduciary Program personnel](#) and [VA-appointed fiduciaries](#). These tools identify and address fiduciary misuse of VA benefits. In 2020, P&F worked with the office of Information and Technology (IT) to migrate fiduciary work processes from the Beneficiary Fiduciary Field System (BFFS) to the Veterans Benefits Management System (VBMS). The move from BFFS to VBMS has increased efficiency, enhanced timeliness, improved accuracy automated mailing of letters.

## **Highlights**

In 2020, over \$4.2 billion was paid in Pension benefits to 379 thousand Veterans and survivors as compared to over \$4.5 billion to 409 thousand in 2019. In 2020, over \$7.5 billion in DIC benefits were paid to more than 445 thousand survivors as compared to \$7.1 billion to 434 thousand in 2019.

In 2020, P&F completed more than 187 thousand burial claims. The average days to process a burial claim was 69 days in 2020.

## Workload

P&F performs upfront income verification using federal tax information from the Internal Revenue Service (IRS) and Social Security Administration (SSA) at each of the PMCs. This exchange of data between relevant agencies reduces reliance on self-reported information, improves program integrity, reduces improper payments, reduces claimant burden and positions the Pension Program for automated rules-based processing. P&F reduced its Veterans rating-related pension inventory by 67% since the beginning of 2020.

The following table provides a summary of the workload and FTE projections. This summary includes data for only pension and DIC claims considered to be part of VBA's overall disability claims inventory (i.e., "rating claims").

<b>Projected Pension and DIC Claims Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Pension, DIC, & Burial Direct Labor FTE	1,022	1,018	1,191	1,191
<b>Total Receipts</b>	<b>125,993</b>	<b>124,661</b>	<b>133,636</b>	<b>131,839</b>
Pension Claims	67,307	66,562	67,349	64,214
DIC Claims	58,686	58,099	66,287	67,625
<b>Total Production</b>	<b>122,073</b>	<b>124,905</b>	<b>134,821</b>	<b>145,257</b>
Pension Claims	62,932	69,232	68,266	70,794
DIC Claims	59,141	55,673	66,555	74,463
<b>Total Year-end Inventory</b>	<b>29,696</b>	<b>29,452</b>	<b>28,267</b>	<b>14,849</b>
Pension Claims	17,785	15,115	14,198	7,618
DIC Claims	11,911	14,337	14,069	7,231

## Pension Management Center (PMC) Workload

The end-product (EP) system is the primary PMC workload management tool to conduct special reviews and correct a previous erroneous action. Correct use of the EP system facilitates proper control of pending workloads and appropriate work measurement credits. PMC workload is aggregated into the following categories:

- Veterans Pension: a needs-based claim for Veterans
- Dependency Indemnity Compensation (DIC): a claim for monthly compensation for a surviving spouse, child or parent because of a Veterans service-connected death
- Survivors Pension: a claim filed by a surviving spouse or child
- Burial allowances and reimbursements: a claim for burial, plot and transportation allowances
- Accrued Benefits: benefits that are due but not paid prior to the Veterans death
- Other Pension Non-Rating Claims: a claim that require benefit adjustments based on dependency or income changes and other changes in circumstances
- Pension other: the combination of workload not included in the regular pension non-rating claims, such as correspondence and Privacy Act/Freedom of Information Act requests



<b>Pension Management Center - Production</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Pension Rating Claims (Includes Reopened Claims)	62,932	69,232	68,266	70,794
Dependency and Indemnity Compensation (Includes Reopened Claims)	59,141	55,673	66,555	74,463
Original Survivors Pension Claims	28,598	46,802	35,740	42,041
Burial Claims (Non-Add to Other Pension Non-Rating)	140,104	185,659	170,561	181,835
Accrued Benefits (Non-Add to Other Pension Non-Rating)	13,862	21,283	18,320	23,313
Pension Non-Rating Claims	304,790	389,375	357,234	399,859
Pension Controlled End Products	119,806	108,286	103,930	103,845
Pension Other End Products	79,523	118,671	91,411	112,047

### **Fiduciary Program Workload**

The workload table below indicates the anticipated improvement in processing of field examinations.

<b>Fiduciary Program Workload Completed and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	1,213	1,270	1,335	1,335
Initial Appointment Field Examinations	41,196	33,967	33,288	32,625
Follow-up Field Examinations	43,551	50,134	49,131	48,154
Follow-up Alternate Field Examinations	12,104	22,447	21,998	21,560
Percentage Initial Appointments	42.5%	31.90%	31.90%	31.90%
<b>Total Field Examinations</b>	<b>96,851</b>	<b>106,548</b>	<b>104,417</b>	<b>102,339</b>
Accountings	56,561	59,500	58,310	56,007

Employees work to identify and complete all pending misuse matters, including final misuse determinations, debt establishment and benefit reissuance. P&F recognizes that fiduciary misuse of benefits can cause financial hardship for beneficiaries and has taken additional steps to address this vulnerability. This includes requiring fiduciaries to submit detailed financial documents, emphasizing reporting of misuse allegations to Fiduciary employees and aggressively pursuing recoupment of VA benefits when misused.

### **Performance Measures**

The 2022 requested resource level supports the following performance measures:

- Percentage of Pension Rating Claims processed within 125 days
- Percentage of DIC rating claims processed within 125 days
- Percentage of Survivors Pension entitlement determinations processed within 60 days
- National Claim-Based Quality for Pension Claims
- Average Days to Complete Initial Fiduciary Appointment Exam
- Percentage of Follow-up fiduciary field exams completed within 175 days

- Percentage of follow-up field exams for which Veteran well-being is confirmed

### **Providing Veterans with Earned Benefits**

Below are some of the ways P&F has worked to strengthen the workforce, improve service and delivery of benefits:

- Pension automation, including electronic claims submission, is currently slated for completion in 2021.
- P&F is modernizing the Fiduciary program by enhancing background check capabilities.
- P&F deployed the Fiduciary Accounting Submission Tool (FAST) to improve the accounting process. FAST improves the process by providing a guided experience for the fiduciary when submitting accounting documentation.
- P&F improved physical security of claimants' medical records.
- A 75% reduction in end-user processing time using SSA-Government Services Online, a secure electronic messaging system.

### **Ensuring Strong Fiscal Stewardship**

The following programs actively ensure we are fiscally responsible stewards of taxpayer dollars:

- In 2020, P&F matched and performed suspense actions on more than 126 thousand awards using the Social Security Death Master file match.
- The Post Award Audit (PAA) process is a periodic audit of pension and parents' DIC active benefit payments that assesses the accuracy of payments using earned and unearned income.
- P&F expanded automated state plot benefit payments to State Veterans Cemeteries that intern the remains of Veterans. This automation ensures the proper updating of Veterans' records and expedited payments to the cemeteries. As a result of this expansion, 33% more state plot claims were completed in 2020 than 2019, with 83% processed within 30 days.
- P&F began automating the processing of DIC and burial claims in 2020. This automation improved the timeliness of claims. In 2021, this automation effort will continue and begin for pension claims.

### **Fostering a Culture of Collaboration**

Collaboration and communication with Veterans and other stakeholders are a priority for P&F. Stakeholders include Veterans, dependents and survivors. Partners include VA recognized Veterans Service Organizations (VSO), other Federal Government agencies, Veterans Health Administration (VHA), the National Cemetery Administration (NCA), Board of Veterans' Appeals, Department of Defense (DoD), Defense Finance and Accounting Services (DFAS), Department of Justice (DOJ), IRS and SSA.

- P&F formalized a partnership with DOJ to identify elder abuse markers and provide resources in rural areas where most vulnerable Veterans and beneficiary population live. This partnership ensured the removal and incarceration of two fiduciaries in 2020, who were responsible for approximately \$5 million in total losses to the VA.
- P&F collaborates with VSOs to provide them information and updates on process

changes in both the Pension and Fiduciary programs. This collaboration ensured VSOs can provide the highest level of service to beneficiaries and helps claim submissions.

- SSA and IRS share data with P&F to verify income for its needs-based benefit programs. The use of upfront verification has permitted P&F to eliminate 70 thousand beneficiaries from submitting annual eligibility verification reports.

## **Pension and Fiduciary Future Initiatives**

### **Improve Oversight and Service to Veterans and Beneficiaries**

P&F Service will create a center for oversight of misuse and outreach. This initiative allows P&F Service to respond to allegations of misuse by a fiduciary swiftly and accurately to protect the beneficiary. The center will coordinate investigations of at the Fiduciary Hubs and process all misuse determinations. The center will have a separate team to evaluate and process cases requiring a negligence determination and expedite cases involving large retroactive payments.

Outreach will be through targeted marketing campaigns (letters, social media platforms etc.). Fiduciaries will be on notice P&F is actively monitoring their activities and here to help them be successful. The additional outreach will include mandatory training for fiduciaries prior to them fielding appointments and refresher training for recertification.

### **Provide Specialized Services for Survivors**

P&F will establish the Survivor Benefits Center where claims processors are dedicated to processing survivor benefits, DICs, survivor pensions and burial benefits. The center will be staffed with benefits advisors, trained to meet the unique needs of surviving family members. Claims processors and benefit advisors will provide proactive support for grieving survivors to ensure claims are processed with the least amount of burden. The center will specialize in targeted outreach and personalized services for vulnerable survivors.

### **Improve Oversight of Pension and Fiduciary Automation**

P&F will continue to monitor quality and provide oversight of automated claims processing of P&F benefits. The staff validates the accuracy of automated processes including system compliance, development actions, decisions to grant or deny benefits, decisions to off-ramp for manual processing, payment rates and the composition of letters issued through automation. This increase P&F's capacity to perform quality reviews, monitor system compliance and address improper payments.

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## *Education*

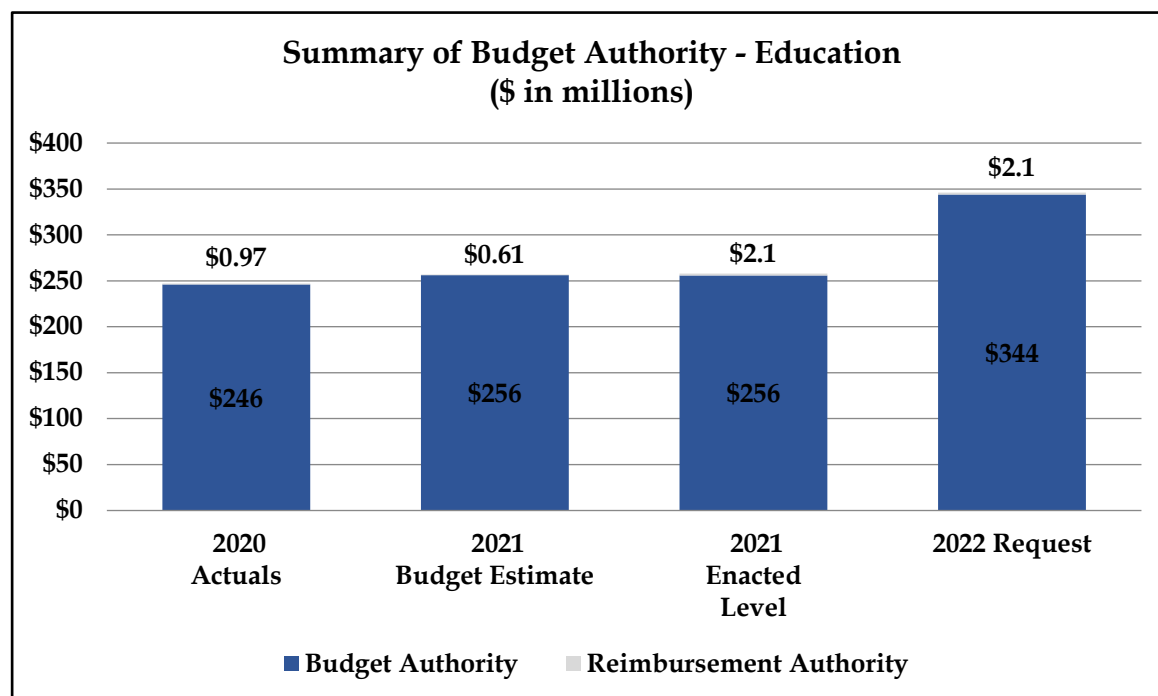
### **Mission**

Provide educational assistance programs to Veterans, Service members, National Guard and Reserve members and eligible dependents by providing financial assistance, generally in the form of monthly benefit payments, as mandated in Titles 38 and 10, United States Code.

### **Summary of Budget Authority**

**2022 Budget Authority Request: \$343.6 million**

**Change over 2021 Estimate: \$ +87.8 million / 34.4%**



### **Summary of Budget Request**

VA requests \$343.8 million in budget authority to fund Education Service (Education) for the administrative expenses of 1,995 FTE. Total budget authority and offsetting collections will fund obligations of \$344 million. This request will provide the funding for Education to continue providing access to timely and accurate delivery of benefits.

<b>Education</b>					
<b>Summary of Discretionary Appropriation Highlights</b>					
(dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct	1,899	1,803	1,803	1,803	0
Management Direction and Support	207	192	192	192	0
<b>Total FTE</b>	<b>2,106</b>	<b>1,995</b>	<b>1,995</b>	<b>1,995</b>	<b>0</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$195,249	\$198,354	\$200,228	\$205,706	\$5,478
Overtime	5,939	6,000	6,000	6,000	0
Travel	1,453	1,476	1,476	1,506	30
Interagency Motor Pool	347	352	352	359	7
Transportation of Things	204	208	208	212	4
Rent, Communications & Utilities	15,562	11,737	11,737	11,972	235
Printing	643	653	653	666	13
Other Services	25,708	36,312	35,444	117,513	82,069
Supplies and Materials	784	799	799	815	16
Equipment	850	868	868	885	17
Insurance Claims	42	42	42	43	1
<b>Total Administrative Obligations</b>	<b>\$246,781</b>	<b>\$256,802</b>	<b>\$257,807</b>	<b>\$345,677</b>	<b>\$87,870</b>
Reimbursements	-\$97	-\$613	-\$2,103	-\$2,124	-\$21
<b>Net Appropriation</b>	<b>\$246,684</b>	<b>\$256,188</b>	<b>\$255,704</b>	<b>\$343,553</b>	<b>\$87,849</b>
<b>Rescission</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,263</b>	<b>\$0</b>	<b>-\$1,263</b>
<b>Total Appropriation</b>	<b>\$246,684</b>	<b>\$256,188</b>	<b>\$256,967</b>	<b>\$343,553</b>	<b>\$86,586</b>
<b>Outlays (net)</b>	<b>\$242,565</b>	<b>\$249,783</b>	<b>\$254,246</b>	<b>\$341,217</b>	<b>\$86,971</b>

Dollars may not add due to rounding in this and subsequent charts.

### Changes from Original 2021 Estimate

Total obligations for pay increase \$1.9 million for the 1.1% increase in Federal Employees Retirement System benefits.

### Changes from 2021 Current Estimate to 2022 Request

Total obligations increase by \$87.9 million which includes \$5.5 million for the anticipated 2.7% pay raise. \$81.5 million is funding for the Digital GI Bill modernized business platform, creating one end-to-end automated processing system for all claims and electronic letter notification. This request also includes nearly one million in non-pay based on the anticipated 2% increase in inflation.

The modernized business platform will enhance Education's ability in providing benefits by:

- Reduced claims processing times: the new business platform will reduce claims processing times from 28 days for original claims and 14 days for supplemental claims to under three days. This will provide beneficiaries with expedited decisions and quicker access to their benefits.
- Increased claim quality: the new business platform will increase claim automation from 26% in 2019 to over 90% as early as 2024. This will reduce the number of manual

processing errors and provide higher accuracy for beneficiaries.

- Improved customer relationship management: the modernization will transition Education from physically mailing claim information to an electronic letter delivery system. A new Self Service Portal will allow 30% of call center calls to be resolved without having to connect to a call center agent.

Education will use the \$81.5 million for Digital GI Bill to continue contractor support in modernizing its IT and business platform. This modernization effort delivers integrated Customer Relationship Management technology that will interface with State Approving Agencies (SAAs), School Certifying Officials (SCOs), GI Bill students, the Education Call Center (ECC) and Veterans Claims Examiners (VCEs). This includes a robust rules-based processing engine, business intelligence tools that readily and quickly identify trends and patterns to improve oversight and customer service practices. VBA coordinated with the office of Information and Technology (IT), sought out industry best practices and incorporated feedback from Veterans using their GI Bill benefits. VA's designated Federally Funded Research and Development Center validated this approach.

In April 2020 VBA originally received \$13 million in supplemental funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES), but nothing included was for education programs. Subsequently, VHA was authorized to transfer \$198 million in CARES Act funding to VBA for the Digital GI Bill. As of May 2020, VBA has transferred \$135 million. Over the summer VBA will determine how much of the remaining balance can be executed for the rest of the year. In addition to CARES Act, there was a second COVID-19 related stimulus law, the American Rescue Plan (ARP). ARP provided VBA an additional \$386 million for the Veterans Rapid Retraining Assistance Program (VRRAP). VRRAP provides Eligible Veterans up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates for retraining to help find employment.

### **Program Description**

Education provides educational assistance programs to Veterans, Service members, National Guard and Reserve members and eligible dependents. This covers licensing or certification exams, on-the-job training programs, Institutions of Higher Learning (IHLs) or non-college degree programs. These benefits help the Armed Forces both recruit and retain members and assist in the readjustment to civilian life. Educational benefits are meant to enhance the Nation's competitiveness through the development of a more highly educated and more productive workforce.

Education administers the following five benefits programs: Veterans' Educational Assistance Program (Chapter 32), Montgomery GI Bill – Active Duty (Chapter 30), Montgomery GI Bill – Selected Reserve (Chapter 1606), Survivors' and Dependents' Educational Assistance Program (DEA) (Chapter 35) and Post-9/11 GI Bill (Chapter 33) the Forever GI Bill.

- [Chapter 32](#): Provides 36 months of benefits to Veterans who have service dates of January 1, 1977 through June 30, 1985 and received an honorable discharge.

- [Chapter 30](#): Provides 36 months of benefits to Veterans who served honorably after June 30, 1985.
- [Chapter 1606](#): Provides 36 months of benefits to Selected Reserve components.
- [Chapter 35](#): Provides up to 36 months of benefits to a spouse, surviving spouse and children of a Service member who died of a service-connected disability, has a permanent and total (P&T) service-connected disability or died while such disability existed.
- [Chapter 33](#): Provides up to 36 months of benefits to Veterans who served after September 10, 2001, as well as dependents of Service members who died in the line of duty, while serving on active duty, after September 10, 2001. In general, Veterans must serve at least 90 days on active duty. There is no time limit on the benefit for Veterans who were discharged on or after January 1, 2013. Service members may be approved by Department of Defense (DoD) to transfer benefit to dependents.

Education administers specialized benefits under the Veteran Employment Through Technology Education Courses (VET TEC) pilot program. VA also assists Veterans and Service members with academic and career goal decisions regarding individual entitlements through the following resources: the [GI Bill Comparison Tool](#), the joint VA/DoD eBenefits portal and the ECC: 1-888-GIBILL1 (1-888- 442-4551).

Education benefits are administered by 1,150 claims processors, supervisors and support staff at Regional Processing Offices (RPOs) located in Buffalo, NY, and Muskogee, OK. Upstream Clerks, VCEs and Senior Veterans Claims Examiners (SVCEs) perform functions fundamental to delivering education benefits. SVCEs and VCEs review, collect and adjudicate claims to determine entitlement decisions. VCEs stay informed on matters affecting Veterans and dependents, school officials and other relatives rights and benefits, evidence submission, claims disposition and all subsequent actions. 98 claims processors will serve on specialized teams for the Rogers STEM Scholarship; VET TEC; and Restoration of Entitlement provisions of The Harry W. Colmery Veterans Educational Assistance Act of 2017 (the Colmery Act). In 2020, Education processed 3.6 million claims. These claims provide beneficiaries tuition and fees, monthly housing allowance, books and supplies. This funding enables beneficiaries to pursue the education of their choice at an approved VA facility while assisting with the financial burden of a post-secondary education. In 2021, Education will begin to explore and analyze how users of GI Bill benefits fare before and after their use of the benefit and their matriculation through school by collecting and analyzing the following information:

- Outcomes of those that have reached their delimiting or exhaustion date compared to the outcomes of users and eligible, non-participating Veterans
- Outcomes of Veteran and non-Veteran dependents using the GI Bill
- Analysis of college-specific and degree-specific outcomes
- Analysis of beneficiaries that use the benefits but leverage an alternative financing source to complete school



- Research on which educational paths yield the best return on investment as measured by civilian workforce success, income, disability or homelessness status, non-reliance on public assistance, educational attainment, student debt and default rates

The ECC located in Muskogee, OK, employs 302 staff who respond to an average of 2.6 million calls each year. The ECC answers calls from Veterans, dependents and school officials regarding the various education programs. Staff includes 273 agents who answer the majority of calls. These agents are well versed on all education programs and provide information from basic program eligibility to detailed information pertaining to the specific caller. The remaining 29 employees are ECC Leadership, Education Case Managers (ECMs) and support personnel. The ECC also maintains a dedicated hotline for SCOs to quickly reach an ECM to discuss student certification or enrollment. In 2020, the ECC answered over two million calls that increased the overall customer experience on the following items:

- **Benefit payments:** this allows Education to work directly with beneficiaries regarding their payment issues and provides opportunities for corrections or better-informed customers regarding their claim. Access to agents also allows Education to identify, process and expedite hardship cases.
- **Eligibility and Remaining Benefits:** agents work directly with beneficiaries to provide information and assist in making informed decisions based upon service history and existing benefits. These calls help beneficiaries make better decisions on how to use their benefits.
- **General Education Overview:** these calls help beneficiaries understand the available benefits and how legislative changes may impact their benefits.
- **SCO Help Line:** this is a dedicated line where agents assist the SCO with questions regarding student enrollment status and proper claim entry. These calls help ensure that a greater percentage of claims are automated which reduces beneficiary wait time.

Education's Oversight & Accountability Division includes 185 staff in the field with the primary mission of safeguarding the integrity of the GI Bill. This portfolio includes: Integrity and Protection; Approvals, Compliance and Liaison; Agreements and Federal Programs; and Federal and State Approval. Personnel are based out of Washington, DC; Atlanta, GA; and other VBA Regional Offices across the Nation. In 2020, the division ensured the propriety of GI Bill payments, enforced compliance with GI Bill approval requirements and improved beneficiary satisfaction through:

- **Program Approvals:** various types of programs of education and training are processed annually for initial approval and/or reapproval to participate in the GI Bill programs. Approval activities are completed by the designated SAA and then provided to VBA for review and acceptance or are completed by VBA acting as the SAA. Without appropriate approvals, beneficiaries will be unable to utilize their education benefits at the school or training provider of their choice. The team manages approximately 400 thousand approved programs. This maximizes options available to GI Bill beneficiaries while also ensuring

that approved programs meet quality standards and other applicable statutory requirements.

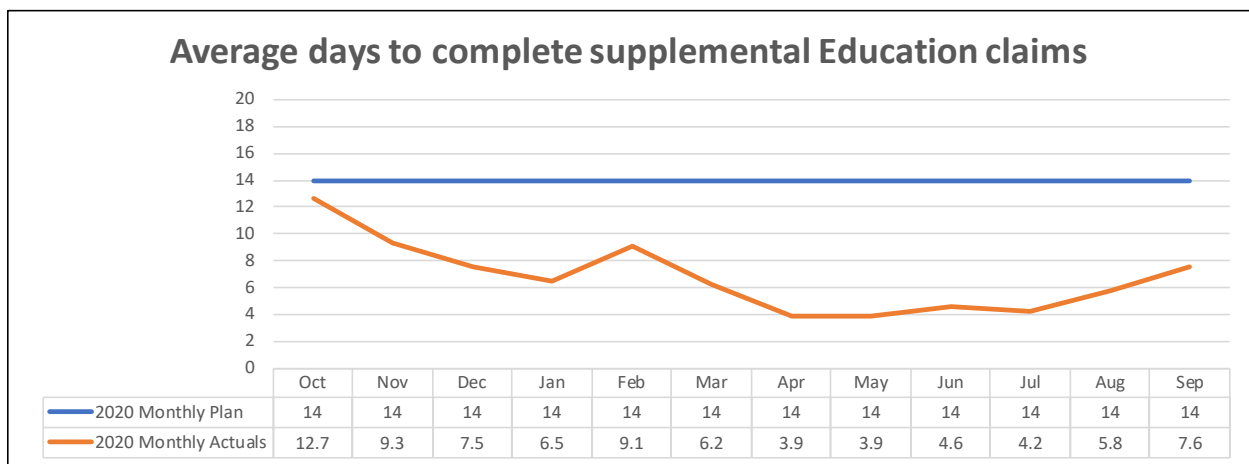
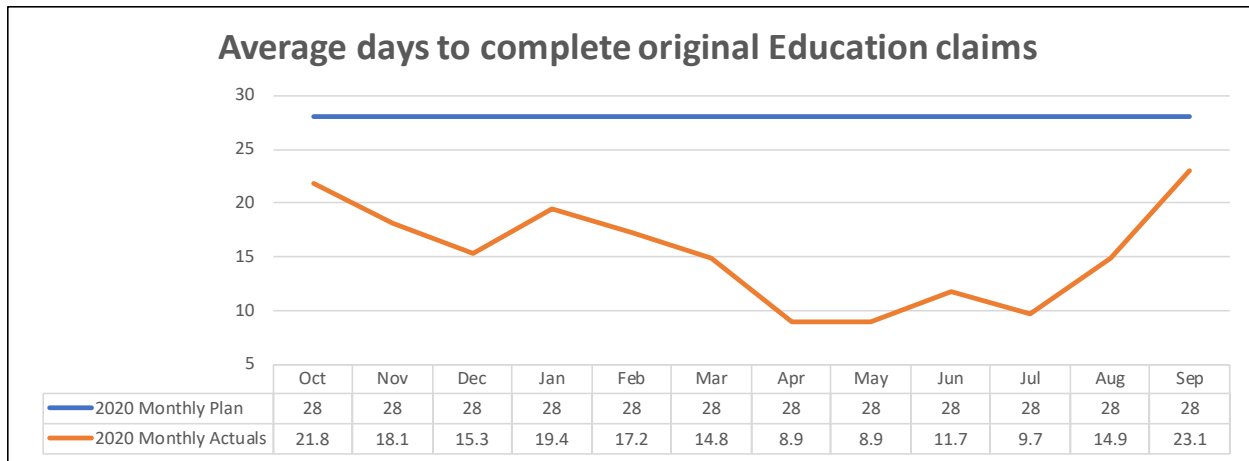
- **Compliance Surveys:** nearly four thousand annual compliance surveys of approved programs are performed at schools and training providers across the Nation, as required by 38 U.S.C. §3693. This ensures that VA and GI Bill beneficiaries are not overcharged and that benefits aren't otherwise used improperly or unnecessarily. In 2020, over two thousand audits were completed, helping to safeguard the integrity of the GI Bill and \$12 billion in education benefit payments.
- **Liaison Activities:** Oversight and Accountability personnel contact and conduct training sessions for representatives of schools and training providers with approved programs using multiple modalities. This ensures proper, accurate and timely reports of beneficiary enrollments to reduce delays in benefit delivery and overpayment or underpayment of benefits.
- **Integrity and Protection Actions:** personnel monitor comments, including complaints, submitted through the GI Bill Feedback Tool to look for trends in potential noncompliance with GI Bill approval, recordkeeping and reporting requirements. Personnel works closely with other Federal agencies, including law enforcement agencies and VA's Office of Inspector General, to investigate noncompliance and undertake enforcement actions when necessary. These actions reduce harm to GI Bill beneficiaries and ensure that VA is a good steward of taxpayer funds.

VBA employs an additional 166 staff in Education at VBA Central Office. These employees develop and implement policy, procedures, legislation, strategic oversight and training. The staff also responds to the Office of Management and Budget, Congress and other stakeholders. Education brokers cases between RPOs to optimize resources. This minimizes the variances in timeliness between RPOs; ensuring Veterans, Service members and dependents' claims are addressed timely manner. Brokering allows Education to focus on any outliers where additional assistance is needed to process all the claims.

### **Workload**

Education benefit claims are processed at our two RPOs. In 2020, VBA processed 3.6 million education claims at an accuracy rate of 98%. The original claims were processed on average in 15.4 days and supplemental claims were processed in 6.9 days. In 2022, over 4.2 million claims will be processed. Education targets were developed based on a review and analysis of claims timeliness of other Federal agencies and the insurance industry.

Education claims processing times always vary throughout the year primarily due to the fall and spring peak enrollment periods. The chart below shows how claims processing time per month is based on the enrollment periods.



Workload for the ECC is determined by the number of callers and inquiries received. The ECC is open from 7:00 am to 6:00 pm, Central Time, Monday through Friday. If a beneficiary is unable to call during normal business hours, he or she can access information on our education and training page located at [VA.gov](https://www.va.gov). Beneficiaries are encouraged to submit their questions through the "Ask A Question" site on our website. This contact method is available all the time. Callers can also receive information on accessing benefit information and assistance via eBenefits or VA.gov. In 2020, the ECC answered over two million calls.

Workload for the Approval, Compliance and Liaison (AC&L) team is different from the workload at the RPOs. The AC&L team is responsible for reviewing and accepting approval packages for education and training programs for the enrollment of GI Bill beneficiaries. They also audit compliance with GI Bill requirements by conducting statutorily mandated compliance surveys at schools and training providers with approved programs.

The workload is determined based on approval requests from the education and training providers in conjunction with the SAAs. VA Education Liaison Representatives (ELRs) receive and review the documentation submitted in approval packages. This work ensures accurate and consistent application of the laws, regulations and policies governing GI Bill approval activities. ELRs work with the SAA to provide clarity regarding matters of interpretation and for rare cases. ELRs also

maintain records of all approved, suspended, or withdrawn programs for educational and training institutions facilities and distributes the data to appropriate VA personnel.

The compliance survey workload is generally determined by the requirements codified in 38 U.S. Code §3693, which requires VA to conduct a compliance survey of approved programs with at least 20 beneficiaries, unless waived due to a history of compliance. Additional ad hoc surveys are conducted based on the existence of identified risk factors, complaints, and enforcement actions by State or Federal agencies indicating possible violations of GI Bill requirements, referred to as Risk Based Surveys (RBSs) and Targeted Risk Based Reviews (TRBRs). This work helps to safeguard the integrity of the GI Bill.

Workload projections are listed below.

<b>Projected Education Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	1,720	1,899	1,803	1,803
Total Claims Completed	3,648,330	3,598,346	3,820,919	4,000,502
Original	339,007	314,553	355,345	372,047
Supplemental	3,309,323	3,283,793	3,465,574	3,628,455
Change in Claims Completed (over previous year)	4.66%	-1.37%	6.19%	4.70%
Average Days to Complete Original Claims	24	16	24	24
Average Days to Complete Supplemental Claims	13	7	12	12
Compliance Reviews	3,619	2,388	3,500	3,500
Calls Processed at Call Center (Answered)	2,307,219	2,025,369	2,768,663	2,768,633

Estimates may change based on program participation

### **Performance Measures**

The 2022 requested resource level supports the following select performance measures:

- **Average Days to Complete Original Education Claims:** the average number of days to process an initial application for education benefits. The target in 2022 is 24 days. In 2020, Education completed original claims in 15.4 days.
- **Average Days to Complete Supplemental Education Claims:** the average number of days to process subsequent claims for education benefits after eligibility is established. The target in 2022 is 12 days. In 2020, Education completed supplemental claims in 6.9 days.
- **Payment Accuracy:** the amounts reported as a percentage of the number of correct payments made as the result of a broad sample of claims selected and graded during quality reviews. Payment accuracy is measured based on the number of correct payments made to the accurate school, program and recipient versus the number of incorrect payments made and discovered during quality reviews. This measurement includes items such as the correct amount of entitlement, tuition, fees and if accurate eligibility determination was made. The target for 2022 is 95%. In 2020, Education achieved a payment accuracy rate of 98.3%.
- **ECC Quality Assurance:** the score given as a cumulative grade after reviewing previously recorded calls for overall interactions within calls, knowledge of the call agent and

identification protocols that adhere to all the policies and procedures issued. The target in 2022 is 90%. In 2020, Education achieved a quality assurance rate of almost 96%.

- Veterans or beneficiaries who are satisfied with the value received from their GI Bill: the target in 2022 is 80%. This measure will start being tracked in 2021.
- Average Days to Complete Education Program Approvals: VBA reviews program approval documents submitted by State Approving Agencies (SAAs) to ensure that they meet statutory and regulatory requirements. The target in 2022 is 31 days. This measure will start being tracked in 2021.
- Average Days to Complete Compliance Survey Reports: VBA reviews and finalizes survey reports, conducted by both VA and SAAs, for accuracy and completeness to ensure that approved programs continue to meet statutory and regulatory requirements. The target in 2022 is 80 days. This measure will start being tracked in 2021.

### **Highlights and Accomplishments**

VBA's 2022 Education request is aligned to the Secretary's priorities:

#### The Harry W. Colmery Veterans Educational Assistance Act of 2017

The Colmery Act amended Title 38, United States Code, expanded and enhanced access to the Post-9/11 GI Bill among other education benefits. It restores benefits to Veterans who were affected by school closures since 2015; extends special benefits for reservists, surviving dependents and Purple Heart recipients; eliminates the expiration date for Post-9/11 GI Bill benefits. It established the VET TEC Pilot Program to enhance benefits for Veterans, authorizes the Rogers STEM Scholarship and eliminates the 40% benefit level and expands the 60% benefit level under the Post-9/11 GI Bill Program.

VA implemented an IT solution to support Sections 107 and 501 on December 1, 2019. In April 2020, an IT solution was released to allow for the processing and adjudication of recertification claims for Section 107. With these successful deployments, VA is focusing its efforts on previously implemented provisions and fully integrating these provisions within its existing legacy IT infrastructure.

In 2019, Education started processing claims for two provisions under the Colmery Act, the Rogers STEM Scholarship and the VET TEC Program. The Rogers STEM Scholarship requires beneficiaries to satisfy at least six criteria for eligibility and the scholarship includes a current yearly cap of \$75 million for the total amount of benefits that VBA can pay in through 2022. The Harry W. Colmery Veterans Educational Assistance Act of 2017, P.L. 115-48 increases the annual amount to \$100 million in 2023 and beyond. The eligibility requirements include an individual's entitlement to Chapter 33 benefits, entitlement use within 180 days of application, submission of a STEM specific application, enrollment in a STEM program that requires 120 semester credit hours or 180 quarter credit hours, completion of 60 standard (or 90 quarter) credit hours, completion of a STEM undergraduate degree and currently pursuing a teaching certification. Applications are then prioritized for individuals who are entitled to 100% of Post-9/11 GI Bill benefits, those that require the most credit hours to complete their program and those who have not transferred their eligibility to a family member or dependent. In 2020, nearly three thousand students were awarded a Rogers STEM Scholarship.

The VET TEC Program is an innovative five-year pilot program that pairs Veterans with industry-leading high technology programs. The program has a \$15 million per fiscal year funding cap. The program features statutory performance targets for payments and oversight of providers based on the agreements entered with VBA. The payment structure provides 25% when a Veteran enrolls and attends, 25% when a Veteran completes their training program and the remaining 50% when the Veteran secures meaningful employment. Meaningful employment is defined as employment or advancement in a career supported by the completed program of study. The available programs are approved and audited by our AC&L team and the processing of claims and monitoring of funds involves individual case management from our RPOs.

In 2020, the VET TEC Program has received over 25 thousand applications and has approved 15 thousand. There are currently over 30 approved providers and 1,272 students have graduated from their programs and 538 have secured meaningful employment. Students have 180 days from program completion to find, secure and certify meaningful employment to VA. This is an incredibly popular program and the annual funding cap is currently \$45 million from the benefits account.

#### Education Call Center Dedicated Phone Line

Based on recommendations from Veterans Service Organizations (VSOs), Education established a dedicated phone line at the ECC for GI Bill beneficiaries who are the survivors of an active duty Service member who died in the line of duty on or after September 11, 2001 and need assistance with their education benefits. Children or surviving spouses can contact the ECC at 1-888-442-4551 and select Option five. Survivors' calls will be routed to an agent with specialized training on a priority basis to assist the caller with their education benefit questions.

#### Consolidation of Regional Processing Office

On May 15, 2020, Education announced that the St. Louis RPO was being repurposed to the Veterans Service Center. St. Louis RPO education claims processing was transitioned to the Buffalo RPO on October 1, 2020. This transition improved timeliness, quality, service and operational efficiency for GI Bill students and stakeholders.

This change enhanced the customer service experience by reducing processing times, increasing claim quality and improving service. Processing claims in two RPOs makes operations more efficient, allows flexibility in adjusting to workload and/or legislative changes and improves the entire stakeholder experience. Beneficiaries did not experience a decrease in service and reassigned employees were not negatively impacted.

#### Enactment of COVID-19 Legislation

In 2020, due to the COVID-19 pandemic, most schools had to quickly convert from training students in-person to training them solely through distance learning. Unfortunately, benefits payments under the Post-9/11 GI Bill were reduced when a student trained through distance learning, and some courses were prohibited from participating in the GI Bill programs if they were delivered through distance learning. Congress recognized this and passed the Continuation of Department of Veterans Affairs Educational Assistance Benefits for Certain Programs of Education Converted to Distance Learning by Reason of Emergencies and Health Related

Situations, P.L. 116-128 signed on March 21, 2020. This law stated that VA should continue to treat these converted students as if they were still attending classes in-person, and VA implemented several changes to the education benefits system as a result. Implementing these changes required Education to redesign our school certification system to allow schools to inform us when such students were converted. Education had to quickly retrain SCOs on how to correctly identify and designate these converted students. Education claims processors needed to be retrained and IT systems reprogrammed to process these designated students to continue receiving benefits as if they were training in-person. Education successfully accomplished this training in approximately two weeks. Education trained over four thousand SCOs during the initial training, with more SCOs being trained in subsequent sessions. The impact to the accuracy rate is still being determined.

The changes made by P.L. 116-128 were not wholly sufficient to resolve all of the negative impacts of the COVID-19 pandemic on students. Congress subsequently passed the Student Veteran Coronavirus Response Act of 2020, P.L. 116-140 signed on April 28, 2020. This law provided for a host of changes to students' benefits, such as ensuring work study payments were not impacted due to students not being able to work, providing for the continuation of benefits when schools close (temporarily or permanently), restoring entitlement when training hours or credits were lost and extending the time period by which students have to use their benefits if training was impeded. Implementation required retraining school officials, modifying VA systems, retraining claims processors and reprogramming VA IT systems. On the heels of implementing the first P.L., Education was able to successfully implement the second P.L. in a few weeks. Due to current Education claims processing automation, determining the precise impact of this legislative change to this subset of claims is currently unavailable. Education is working on an analysis that provides a current estimate.

COVID-19 required the closing of all RPOs. This required Education to reengineer many of our processes that require an in-office presence, such as printing and mailing locally produced letters. Education created new processes allowing letters to be mailed from centralized sites and to begin a new process of delivering correspondence through encrypted messaging.

#### Consolidation of Post-9/11 GI Bill Benefit Levels

On August 1, 2020, Veterans became eligible for increased benefits under the Post-9/11 GI Bill. VBA pays Post-9/11 GI Bill benefits at different rates (known as benefit levels) based on length of service. These rules determine benefit levels for Veterans who served less than 36 months and have not received a Purple Heart. The law eliminates the 40% benefit level and expands the 60% benefit level. Veterans are eligible for the 50% benefit level if they have aggregate service of at least 90 days, but less than six months of qualifying active duty service. Those previously eligible at the 40% benefit level now qualifies for the 50% benefit level. Veterans become eligible for the 60% benefit level if they have aggregate service of at least six months but less than eighteen months of qualifying active duty service. These changes in benefit levels will increase the amount VBA will cover for those with fewer months of service.

#### Ensuring School Compliance

In 2020, VBA took unprecedented action with five schools based on evidence indicating the utilization of false or misleading advertising, sales or enrollment practices in violation of section 3696 of Title 38, United States Code. VBA issued notices of intent to suspend enrollment of new

students unless the five schools could demonstrate that such practices either were not used or that the schools had taken sufficient corrective actions to end such practices and prevent them from reoccurring; following a review of information provided by the Federal Trade Commission or obtained from State Attorney General. The suspension notices were rescinded only after the schools provided evidence that corrective actions had been undertaken that are sufficient to ensure compliance with statutory requirements and the expectations of GI Bill beneficiaries. VA will continue to monitor compliance at those five schools and will take similar actions if noncompliance is indicated at other educational institutions or training providers.

#### Oversight and Accountability

In 2020, over two thousand compliance surveys were completed, which resulted in the recovery of \$4.9 million in benefit payments.

#### Safeguarding the Integrity of the GI Bill

In 2019 and 2020, Education, in partnership with VA's OIG Criminal Investigation Division and the Department of Justice, settled multiple criminal and civil cases to include convictions of school owners, administrators, education and training providers. These actions have helped to recover over \$10 million in benefit payments.

#### Updated Communication Products

In 2020, Education released the first two parts of the three-part series: Building Your Future with the GI Bill. This series features valuable guides to help Veterans and their families choose an education pathway, utilize their benefits and find their career path as they transition to civilian life. Part One: [Building Your Future with the GI Bill: A Guide to Choose Your Education Pathway](#) helps answer questions individuals may have about using VA education benefits to earn a degree or obtain occupational training. Earning a degree or certification allows Veterans and their families to be more competitive in the workforce, attain a higher salary, job stability and boost employer-provided benefits. Part One provides helpful information including: identifying skills and interests, types of degrees, types of schools, types of learning and potential on-campus resources.

Part Two: [Building Your Future with the GI Bill: A Guide to Understanding Your Benefits](#) provides a comparison of benefits programs available to Veterans and their families and helps them choose the best program to fit their goals. Part Two provides helpful information: a comparison of education benefits programs, resources to help bridge the gap with education expenses and information on other options outside of traditional schooling, such as technical training and non-college degree programs. Education updated its resources for schools' websites; a one-stop shop for SCOs and school administrators assisting students who are using their VA benefits to pursue education and training programs. The site provides trainings, resources, guides and information on GI Bill programs to support military-connected students. The website includes: training, guides, upcoming events, policies, procedures, resources to support students and the updated [SCO Handbook Online](#). SCOs enter claims into Education's processing application, the site ensures the proper information is provided resulting in faster processing and reduced errors.



### Isakson and Roe Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315)

The Johnny Isakson and David P. Roe Veterans Health Care and Benefits Improvement Act of 2020 was signed into law on January 5, 2021. The law will have a transformative effect on the Education's mission to provide ready access to timely and accurate delivery of education benefits.

This new law features 32 provisions that impact the administration and oversight of GI Bill benefits including new requirements for enrollment verification, expanded restoration of entitlement opportunities, the sunset of the Montgomery GI Bill, substantial changes to our oversight of GI Bill approved schools and other education related issues. There are fifteen provisions that were effective on January 5, 2021, that necessitated swift action by VA; others take effect on August 1, 2021, or later.

### The Veteran Rapid Retraining Assistance Program (VRRAP)

The VRRAP was enacted on March 11, 2021 and was effective immediately. VRRAP was part of the American Rescue Plan, a \$1.9 trillion economic stimulus package, with aid targeted to assist individuals and businesses recovering from the effects of the COVID-19 pandemic. Eligible Veterans participating in VRRAP receive up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates. Covered education programs must provide training for a high-demand occupation, as determined by the Commissioner of Labor Statistics. GI Bill approved programs of education, excluding bachelor's and graduate degrees and VET TEC approved training are eligible. The program ends 21 months after enactment and is limited to a maximum of 17,250 participants and up to \$386 million. Education worked with stakeholders to launch the program and ensure eligible Veterans have timely access to their benefits.

### **Providing Veterans with Earned Benefits**

The [GI Bill Comparison Tool](#) provides information to learn about education programs and compare benefits by school. The GI Bill Feedback System is available to support beneficiaries. It is designed with mobile users in mind and simplifies the experience for a diverse population of beneficiaries. Since inception over 13 thousand complaints have been submitted and over 13 thousand have been closed.

Education provides beneficiaries with the most up-to-date benefit information by email and social media. In 2020, Education emailed nearly one thousand beneficiaries regarding topics such as: legislative changes, school closures, benefit updates and COVID-19 impacts. Education utilizes Facebook to help reach beneficiaries and has posted over 100 times in 2020, reaching over 108 thousand followers and have over 860 thousand engagements on posted material. Education also hosted two Facebook LIVE events that had over four thousand combined views. Social Studio, a tool that manages, schedules and monitors social media accounts, indicated a 74% positive sentiment from GI Bill Facebook followers. Education collaborated with RallyPoint for a question and answer session with our Executive Director, nearly 110 thousand Service members and Veterans submitted 268 comments/questions.

In 2021, VBA will begin to measure data on how benefits are used to support policies and procedures that promote beneficiary retention and graduation. This will provide information on income, educational paths that yield the best return on investments as measured by civilian workforce success, disability and homelessness status, non-reliance on public assistance,

educational attainment, student debt and default rates.

## **Ensuring Strong Fiscal Stewardship**

### **Oversight & Accountability Division**

Education's Oversight & Accountability Division projects that about four thousand compliance surveys and an increased amount of RBSs and TRBRs will be completed in 2022 with a savings of an estimated \$18 million. The Division annually administers 52 cooperative agreements with SAAs whose core functions are approvals, compliance, liaison, technical assistance to the education and training providers in their home state. In 2020, the Division served as the State of California SAA completing over 500 approvals, compliance and liaison actions in nine months until July 1, 2021, when the State returned to acting as the SAA.

To improve and standardize compliance procedures a new web-based application for managing compliance surveys has been deployed. This centralized application is used by both VBA and our SAA partners for entry, tracking, storage and analysis of compliance survey data. This application allows employees to complete a survey electronically and increase mobility rather than relying on hand carrying and tracking paper files.

### **Quality Control**

The Education quality review program conducts reviews at the national and local level. A focus of the national review is payment accuracy. Failure to meet the established targets requires implementation of corrective action plans (CAPs) to remediate any deficiencies. Payment accuracy results between 2019 and 2020 have shown a slight increase, from 97.6% to 98.3%. Individual payment errors are generally caused by data entry transactions on the part of a claims processor or due to conflicting information received by the claimant or DoD. VA has worked with DoD to improve data reporting of creditable service periods in the Veterans Information Solution (VIS). CAPs cannot resolve every issue associated with each payment error, such as a data entry issue, but do assist with providing refresher training on specific topics that affect payment accuracy rates. Any establishment of debts against a claimant or facility are established and tracked by VBA. In 2020, Education used industry-standard best practices in statistical sampling and review of the quality assurance program. The sample design accounts for workload population, broken down by benefit programs and is based on GAO's formula provided in Veterans' Disability Benefits: Improvements Could Further Enhance Quality Assurance Efforts (Publication No. GAO-15-50).

Education has payment controls in place to ensure larger payments are thoroughly reviewed and authorized before release. Additional reviews are conducted by station and central office leadership as needed, to identify any required corrections. Based on the information gathered through quality reviews, Education personnel participate in annual training targeted to ensure best practices are shared and implemented.

## **Fostering a Culture of Collaboration**

From July 2019 through February 2020, Education provided outreach to students across the country to discuss benefit updates that may affect them. The team visited 24 schools, training programs and industry leaders; connecting with over 900 individuals in person and thousands virtually. The goal of the school tour was to ensure that students understood how recently

implemented sections of the Colmery Act expansion. These changes include updates to Monthly Housing Allowance (MHA) rates, the STEM Scholarship and the VET TEC program. Watch the [GI Bill School Tour video](#) to see on the ground footage.

Education collaborated with the Children of the Fallen Patriots Foundation (CFPF), an organization that provides college scholarships and educational counseling to military children who have lost a parent in the line of duty, in 2020. The collaboration helped enroll 80 new Marine Gunnery Sergeant John David Fry Scholarships and 230 new Survivors' and Dependents' Educational Assistance students. This allowed VBA to grant 105 of those new students over \$1.9 million in total scholarships. This partnership between VBA and CFPF was established in a Memorandum of Understanding in place through 2021.

VBA collaborates with the Veterans' Advisory Committee on Education (VACOE). The statutory Committee provides advice to the Secretary on the administration of education and training programs. VACOE recommends new and improved education benefit programs and services in reports to the Secretary and Congress. The current VACOE is comprised of leaders from VSOs, Corporations and IHLs. In 2020, VBA implemented 10 of 12 recommendations from the 2019 Committee. VACOE meets twice a year.

Education continues to build out capabilities that allow DoD to engage with us directly through the Enterprise Data Management System (EDMS). This is used to track requests for information sent to DoD instead of email and Microsoft Excel spreadsheets. Hosting a single platform that allows our DoD to access and track requests has improved timeliness standards. Historically, this process has taken 30 to 45 days to complete. To date this process has decreased to less than 30 days and it is anticipated that this number will continue to decline as enhancements are added to EDMS.

In 2022, Education will continue to build and enhance the SCO annual training program required under Section 305 of the Colmery Act. Section 305 requires annual training at all institutions that have 20 or more enrolled beneficiaries; these institutions are referred to as Covered Educational Institutions. In 2020, over seven thousand Covered Educational Institutions have completed 84 thousand training hours.

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## *Housing*

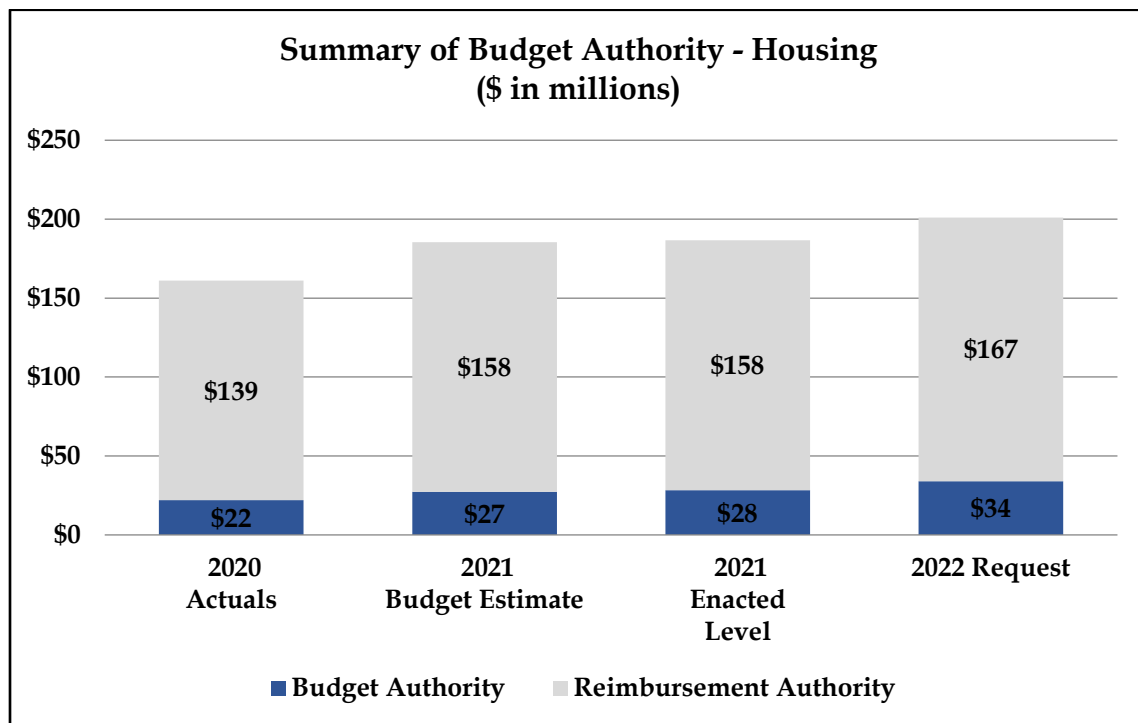
### **Mission**

Maximize Veterans' and Service members' opportunity to obtain, retain and adapt homes by providing a viable and fiscally responsible benefit program in recognition of their service to the Nation.

### **Summary of Budget Authority**

**2022 Budget Authority Request: \$34 million**

**Change over 2021 Enacted Level: \$ + 5.7 million / + 20.2%**



### **Summary of Budget Request**

VA requests \$167.1 million in reimbursement authority from the credit administration accounts and \$34 million in budget authority to fund the discretionary portion of the Specially Adapted Housing (SAH) program. This request will provide funding for 1,011 FTE, an increase of 98 FTE.

<b>Housing</b>					
<b>Summary of Discretionary Appropriation Highlights</b>					
(dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct	780	820	820	918	98
Management Direction and Support	96	93	93	93	0
<b>Total FTE</b>	<b>876</b>	<b>913</b>	<b>913</b>	<b>1,011</b>	<b>98</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$107,965	\$112,270	\$113,331	\$128,929	15,598
Overtime	951	76	76	76	0
Travel	1,821	1,851	1,851	1,925	74
Interagency Motor Pool	418	424	424	1,207	783
Transportation of Things	150	153	153	156	3
Rent, Communications & Utilities	6,314	6,424	6,424	6,552	128
Printing	77	78	78	80	2
Other Services	42,408	63,191	63,191	60,930	-2,261
Supplies and Materials	453	461	461	518	57
Equipment	545	557	557	719	162
Insurance Claims	17	18	18	18	0
<b>Total Administrative Obligations</b>	<b>\$161,119</b>	<b>\$185,502</b>	<b>\$186,564</b>	<b>\$201,110</b>	<b>\$14,546</b>
VA Housing Administration Reimbursement	-\$136,121	-\$157,743	-\$157,766	-\$166,572	-\$8,806
USDA Portfolio Work Reimbursement	-\$3,143	-\$515	-\$515	-\$533	-\$18
<b>Total Reimbursements</b>	<b>-\$139,264</b>	<b>-\$158,258</b>	<b>-\$158,281</b>	<b>-\$167,105</b>	<b>-\$8,824</b>
<b>Net Appropriation</b>	<b>\$21,855</b>	<b>\$27,244</b>	<b>\$28,283</b>	<b>\$34,005</b>	<b>\$5,722</b>
<b>Rescission</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Appropriation</b>	<b>\$21,855</b>	<b>\$27,244</b>	<b>\$28,283</b>	<b>\$34,005</b>	<b>\$5,722</b>
<b>Outlays (net)</b>	<b>\$19,971</b>	<b>\$27,244</b>	<b>\$26,056</b>	<b>\$31,754</b>	<b>\$5,698</b>

Dollars may not add due to rounding in this and subsequent charts. Net Appropriation represents SAH funding.

### Changes from Original 2021 Estimate

Total obligations increase \$1 million for the 1.1% increase in Federal Employees Retirement System benefits.

### Changes from 2021 Current Estimate to 2022 Request

Total obligations increase \$14.5 million. This consists of a \$15.6 million increase in pay and benefits for the additional FTE, nearly \$800 thousand for motor pool increases and a \$2.3 million reduction to contracts resulting from administrative efficiencies.

45 FTE will support the increase in SAH grants. Workload has been significantly influenced by the Ryan Kules and Paul Benne Specially Adaptive Housing Improvement Act of 2019, P.L. 116-15 expanded the eligibility criteria for the SAH grant. This increased the maximum grant amount from \$90,364 to \$100,896 and went from three to six usages available to eligible Veterans. The Blue Water Navy Vietnam Veterans Act of 2019, P.L. 116-23 expanded eligibility for Vietnam era Veterans. The Veteran-to-SAH Agent ratio will be 25:1.

### Proposed SAH 2022 Budget Increase

Position	Location	Number of Positions
SAH Agents (GS-12)	Nationwide	37
SAH Coordinators (GS-13)	Nationwide	5
Program Analysts (GS-13)	VACO	2
Program Analyst (GS-14)	VACO	1
Total FTE Requested		45

The number of SAH cases in 2020 was 12,581 (4,016 active and 8,565 inactive).

53 FTE will support the VA Home Loan (LGY) program. LGY continues to develop technology enhancements to evaluate credit risk and expanded data analytics. These advancements require additional staff to analyze the comprehensive and robust data.

### Program Description

VA helps Service members, Veterans and eligible surviving spouses become homeowners by providing home loan guarantees and other housing-related programs.

VBA will employ 1,011 FTE at the following locations:

- Honolulu Regional Office (RO)
- Regional Loan Center (RLC) Atlanta
- RLC Cleveland
- RLC Denver
- RLC Houston
- RLC Phoenix
- RLC Roanoke
- RLC St. Paul
- RLC St. Petersburg
- VBA Central Office (VBACO)

### Construction & Valuation (C&V) and SAH

Per 38 CFR §36.4351: for minimum property and construction requirements, no loan for the purchase or construction of residential property shall be eligible for guaranty or insurance unless such property complies or conforms with those standards of planning, construction and general acceptability that may be applicable thereto and prescribed by the Secretary. C&V's primary function is to assist and administer the VA Home Loan Program with real estate appraisals. This consists of providing oversight to the Lender Appraisal Processing Program (LAPP), issuing the Notice of Value (NOV) for independent lenders, appraisal technical support for the Loan Management Section (foreclosure) and SAH. LAPP reviews appraisals and issue NOVs, which contain the opinion of reasonable value used in part to determine the amount of guaranty and set out any conditions needed for the property to meet VA's Minimum Property Requirements. The Staff Appraisers, Valuation Officers, Loan Specialists and SAH Agents Staff at the RLCs have been responsible for providing an average of over 666 thousand appraisals annually for the last three years. Since P.L. 116-23 removed the loan limits for VA loans, C&V staff have additional duties to ensure that valuations are supported to limit risk.

Per 38 U.S.C. 3731: appraisals. The C&V staff provides oversight to over seven-thousand appraisers that serve on the VA Fee Appraiser Panel. The Blue Water Navy (BWN) Vietnam Act of 2019, P.L. 116-23 created the Assisted Appraisal Processing Program, which expanded the information available to VA Fee Panel appraisers to assist in the appraisals process. VA Fee Panel Appraisers now have the ability to utilize data based on third-party information to complete appraisal reports. C&V also provides valuation assistance for Veterans and lenders when an appraisal is under reconsideration.

SAH staff assess the residences and provide hands-on guidance and suggestions for incorporating home modifications to improve mobility and promote independence. The primary focus of the grant program is to deliver industry standard options for total home access for width and full bathroom functionality. Other adaptations are made when necessary.

SAH staff manages projects during active construction and serves as a liaison between the Veteran and the contractor completing the construction. SAH staff conduct final field reviews to assess the outcome and ensure the Veteran’s unique mobility needs were addressed. Since 1948, over 43 thousand grants worth more than \$1.6 billion have been made.

Assistant Valuation Officers (AVO) are top line supervisors. In this role, they are responsible for conducting supervisor responsibilities, serving as a technical expert for both SAH and valuation activities and serving as project supervisor for all SAH cases assigned to their staff throughout the grant process. LGY is requesting five additional SAH Coordinators to assist the AVOs with case reviews. The SAH Agent would continue to be the project manager of individual cases and the SAH Coordinator would be responsible for reviewing the SAH Agents work. This maintains the 1:13 ratio of SAH Coordinator to SAH Agents.

Loan Production

Loan volume has grown because of record low interest rates, legislative changes and the rise in national home prices driving cash out refinance volume. LGY experienced a 100% increase in loan volume in 2020:

Average Loan Amount 2018 – 2020

	Total Loan Volume	YoY increase in Loan Volume	Avg. Loan Amount	YoY increase in average loan amount
2018	610,513	N/A	\$264,197	N/A
2019	624,546	2.3%	\$281,226	6.4%
2020	1,246,816	100%	\$301,044	7.0%

The rise of loan volume has significantly increased workload for Loan Production (LP). The 192 LP staff nationwide includes Loan Production Officers, Assistant Loan Production Officers and Loan Specialists who provide all closing activities. In 2020, VA home loans closed on average in 50 days, slightly longer than the industry average.



LP assists in the application process by ensuring valid Certificates of Eligibility (COE) are issued for any Veteran interested in using their home loan benefit. COEs are used by mortgage lenders to verify eligibility for the Home Loan Program. LP completed approximately 600 thousand COE determinations in 2020. COE determinations processed by LP staff are often more complex and time intensive as they require in depth analysis to restore entitlement or substantiate the applicant’s proof of discharge type and length of service. If evidence reflects the Veteran’s character of discharge is Other than Honorable or Bad Conduct and the minimum length of service is met, LP staff will confirm if program usage is possible after consultation with VA’s Compensation Service who determine if the Veteran has the requisite character of discharge for program eligibility. Lenders can obtain the COE automatically 75.3% of the time without any assistance by LP staff. The table below provides an overview of COEs manually reviewed between 2018 and 2020. LGY’s goal is to complete 80% of COE determinations in less than one day.

COEs manually reviewed and completed by LP FTE

	2020	2019	2018
RLC manual issue	599,881	490,244	393,795
Average processing time in hours	49,990	40,854	32,816
YoY staffing increase in processing time	22%	24%	

LP sometimes fully underwrites loans to determine if the Veteran is a satisfactory credit risk and has verified income to make the monthly mortgage payment. VA prior approval is required to limit risk to both the Veteran and agency. LP assists mortgage lenders and Veterans with any loan qualification or underwriting questions. A key benefit for stakeholders is the availability of subject matter experts to assist stakeholders between 8 am – 6 pm eastern standard time Monday through Friday. The surge in program use has significantly increased call volume. The call volume and average talk times have increased over the past three years; increasing average wait times.

LP Phone Hunt Group 2018 – 2020

	Calls Entered Queue	Calls Answered	YoY change in call volume	Time spent in Call Status (hours)	YoY change time spent in call status	Avg. Talk Time	Average Speed to Answer (Seconds)
2018	510,906	506,293	n/a	37,168	n/a	0:04:24	0:00:11
2019	552,433	540,638	7%	40,316	8.5%	0:04:28	0:00:40
2020	618,381	599,516	11%	51,489	27.7%	0:05:09	0:00:55

LP is responsible for conducting oversight and assisting Veterans and industry stakeholders after loan closing, including funding fee refunds. Congress enacted the funding fee to help reduce the government’s costs associated with loans guaranteed, made, or insured. A Veteran who paid a funding fee and later receives a rating for a service-connected disability, that was retroactive to a date prior to the loan closing, is entitled to a funding fee refund. In 2020, LP processed 15 thousand refunds totaling more than \$60 million.

In 2020, almost 25 thousand Full File Loan Reviews (FFLRs) were performed.

### Loan Administration (LA)

LA staff include Loan Administration Officers, Servicing Officers, Loan Specialists and Loan Technicians. LA is responsible for all VA-guaranteed loans after origination until the loan is paid in full or terminated. Once a home loan becomes 61 days delinquent, servicers are required to:

- Report the event to VA
- Work with the borrower to consider loss mitigation options or alternatives to foreclosure
- Report updates on the status of the loan to VA
  - VA loans are reviewed during default to ensure that servicers have provided adequate servicing and explored all options to reinstate the loan and avoid foreclosure

Cases are reviewed to provide additional assistance to borrowers by serving as an intermediary between the Veteran and servicer. Veterans are contacted and offered financial counseling and discuss loss mitigation options.

VBA employs 114 staff in the Housing Program at VBACO. The staff provides updated policies, procedures, and proposed legislation; responds to congressional and field inquiries; and conducts quality assurance and other oversight responsibilities. Operations are comprised of the following:

- Loan and Property Management
- Loan Policy and Valuation, and Oversight
  - Staff includes:
    - Loan Specialists
    - Realty Specialists
    - Appraisers
    - Actuaries
    - Mathematical Statistician
    - Leadership
    - Programmatic and Support personnel

### Oversight

LGY internal controls and risk management activities are administered through systematic oversight of program operations, field employees and private sector partners. The staff performs the following key internal control and oversight functions:

- Oversight of contracted property management and portfolio loan service providers
- Lender and servicer audits, also providing accuracy reviews for all functional areas of the LGY program (Loan Production, Loan Administration, C&V and SAH)
- Quality assurance by performing physical and virtual site visits of program operations
- Risk management functions

Oversight is conducted through the VA Loan Electronic Reporting Interface (VALERI) application to ensure servicers are compliant with VA regulations and policies. LGY also conducts post-audits of the servicing of guaranteed loans to ensure compliance with regulations. Employees

assigned to the Oversight group performed 54 lender audits in 2020, a 23% increase over 2019. Those employees also oversaw nearly 25 thousand loan reviews.

Loan and Property Management

Loan Management serves as the primary resource for the RLCs and industry partners regarding VA policy and the servicing of delinquent home loans. Loan Management is responsible for policies, procedures, regulations, legislative proposals and VALERI issues.

Home loans that go to foreclosure can be conveyed to VA. The Property Management section provides oversight and direction to the contractor, who maximizes the return on investment to the Government and minimizes the time properties are held in inventory. This requires preparing, listing, marketing, sale and satisfying all title transfer requirements. The program has authority to offer VA-backed financing of VA-acquired properties. The Property Management team is responsible for regulations, policies and legislative proposals to ensure consistent operations. In 2020, VBA managed on average over four thousand properties monthly; acquiring six thousand properties and selling over nine thousand. The return on sale was 91.3%, with the value of properties sold over \$51 million.

Loan Policy and Valuation

Loan Policy and Valuation Staff develop regulations, policies and procedures relating to the eligibility of Veterans. The staff researches regulations and statutes, analyzes market trends, reviews standing policy to ensure the program remains current with conventional mortgage and lending industry standards.

The Loan Production Policy Division provides oversight of the loan origination process. This includes the entitlement and eligibility determination for potential program participants and the development of policy for VA-guaranteed loan options. This division also manages the policy direction for the Native American Direct Loan (NADL) program. Since its inception in 1992, over one thousand loans have been made under the NADL program.

**Workload**

In 2020, VA guaranteed over 1.2 million loans. A record number for the program, exceeding the previous record set in 2017 by 43%. Workload projections are:

<b>Projected Housing Workload and FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	769	780	820	918
Total Guaranteed Loan Volume	661,353	1,246,816	1,278,268	968,977
Total Purchase Loans	407,129	428,421	414,560	407,161
Total Refinance Loans	254,224	818,395	863,708	561,817
Total Loan Amount*	\$187,409,206	\$375,356,714	\$390,485,852	\$301,012,801

\* Dollars represented in thousands

## **Performance Measures**

Performance measures guide continuous improvement and accountability. LGY conducts outreach to Veterans, private-sector loan servicers and other industry stakeholders to ensure VA remains at the forefront of the industry in offering home retention options and alternatives to foreclosure.

The Default Resolution Rate (DRR) targets are set based on national mortgage and economic trends in the industry. VBA continuously monitors these trends and adjusts performance targets accordingly. VBA will continue to use VALERI to track data on home loans and provide proactive default and foreclosure avoidance assistance to Veteran borrowers.

In 2020, the DRR was 93.8%. The number of borrowers avoiding foreclosure in 2020 was nearly 120 thousand, a 17% increase over 2019. The estimated claims avoided was over \$3.4 billion. LGY anticipates the DRR will increase to 98.4% in 2021.

Over 226 thousand loan defaults were reported as National Emergency Declaration (NED) in response to the COVID-19 pandemic in 2020, with 170 thousand reporting a loss mitigation option. The volume of NED impacted loans will result in a significant increase in oversight and reviews of the VA-guaranteed loan servicing portfolio. The pandemic foreclosure and eviction moratorium will expire on June 30, 2021, after which LGY expects an increase in foreclosed properties.

## **Highlights and Achievements**

VBA's 2022 request is aligned to the Secretary's priorities, a framework to put the needs, expectations and interests of Veterans and their families first and ensure the timely delivery of benefits and services.

LGY continues to receive an increased volume of COEs. The 2020 established target for COE determinations issued within five days was 95%, but performance was at 98.6%.

### **Providing Veterans with Earned Benefits**

VA home loans are provided by private lenders, such as banks and mortgage companies. VA guarantees a portion of the loan, enabling the lender to provide Veterans with more favorable loan terms. Lenders and real estate agents are essential partners in helping deliver the home loan benefit. They educate Veterans on the program and articulate its advantages when they commence the home-buying process. Loan servicers provide the first line of assistance in finding ways to resolve borrower defaults.

LGY personnel provide exception-based servicing and home retention solutions to avoid foreclosure. During 2020, VBA assisted more than 119 thousand Veterans and their families avoid foreclosure, maintaining one of the lowest foreclosure rates in the industry. VBA's exception-based servicing saved over \$3.4 billion in potential claim payments during 2020.

P.L. 116-23 made a number of changes to the loan program, including amending the effective loan limits in such a way that Veterans living in high-cost markets can now obtain a zero down payment loan with a 25% VA guarantee. While P.L. 116-23 also temporarily raised loan fees for certain loan categories, it expanded the loan fee exemption to active duty personnel with a Purple Heart

award. P.L. 116-23 authorizes VA-designated appraisers to rely on third parties for appraisal-related information.

On March 27, 2020, the President signed the Coronavirus Aid, Relief and Economic Security Act (CARES Act), P.L. 116-136. VA has issued guidance to its program participants to ensure compliance with the relevant sections of the CARES Act (sections 4021, 4022 and 4024). This includes outlining and extending the 120-day moratorium on certain eviction and foreclosure actions for properties that have a VA-guaranteed loan. VA implemented section 4022, which mandates that holders of VA-guaranteed loans grant a borrower's request to forbear monthly installment payments if the borrower affirms that he or she is experiencing a financial hardship. LGY created a tracking system to identify loans in COVID-19 forbearance and issued guidance for servicers to ensure that Veteran borrowers are given full access to these protections. VA continues to explore other ways to assist borrowers facing economic uncertainty.

In 2020, VBA continued its efforts to improve timeliness with a national toll-free number for all home loan inquiries. Every call received is routed to the next available loan specialist for assistance. This change took the blocked call rate from over 10% to nearly zero. The call workload is distributed across RLCs and provides vital information to Veterans and program stakeholders.

During 2020, the COE national work queue distributed over 1.6 million automated COE requests, an increase of more than 80% over 2019. While experiencing a record volume of COE applications, the average COE processing time remained below three business days. Timely processing of COEs is critical to ensure that real estate transactions are closed on time, avoiding increased fees and charges.

### **Ensuring Strong Fiscal Stewardship**

VALERI is a modernized, robust, paperless oversight and servicing system. The VALERI servicer web portal is the primary means of communicating with LGY to report events, submit documents, perform revisions and loan cancellations. LGY provides status and feedback on Veteran loans through reports in the portal. VALERI improves LGY's program oversight capability and reduces the cost of servicing and liquidation of VA loan defaults.

LGY has leveraged VALERI to assist over one million Veterans and their families with an alternative to foreclosure since 2009, which has saved over \$30 billion in potential claim payments. The system enables LGY to track those most at risk for loan default, which is a key measure to prevent Veteran homelessness. VALERI helped over 119 thousand Veterans and their families avoid losing their homes, saving over \$3.4 billion in claim payments during 2020.

In 2019, VBA went live with the newly redesigned VA Loan Electronic Reporting Interface (VALERI-R), which provides VA borrowers and staff more robust tools to track VA loan servicing activities. In the future, VA intends for VALERI-R to be an end to end solution for the complete loan cycle from loan underwriting to loan servicing. This brought the VALERI-R platform management in-house system, as a result of the termination of the previously contracted VALERI management service. This shifted funding for VALERI from its General Operating Expenses (GOE) account to the Office of Information and Technology (OIT). The funding switch allowed LGY to own the application and reduce costs.

Another system used to serve Veteran borrowers is the Appraisal Management System/Automated Valuation Model (AMS/AVM). AMS/AVM provides an in-depth risk assessment of every completed appraisal. VBA exceeded 675 thousand assessments in 2020, allowing employees to focus on high-risk appraisals, increase the quality of appraisals and recruit appraisers. AMS/AVM processes and analyzes over \$375 billion in annual total loan volume.

### **Fostering a Culture of Collaboration**

Employees and fee personnel such as appraisers, inspectors and management brokers are also critical to providing Veterans with quality and timely service. LGY maintains a fee panel of appraisers nationwide. This allows LGY to hire appraisal services for Veterans on an as-needed basis, in any part of the country, without having to maintain full-time personnel.

VBA outreach efforts to inform Veterans and industry partners include webinars and social media platforms resulting in clear and consistent messaging. VA market share of the mortgage industry continues to grow, indicating that LGY outreach and communication efforts are reaching the desired audience as reported in industry source data obtained on a quarterly basis. Purchase loan market share increased to over 10% in 2020 and is holding steady for the foreseeable future.

All adaptation functions previously performed by Veteran Readiness and Employment (VR&E) are now performed by LGY SAH staff. This includes Veteran engagement, construction assessments and project management. Through 2020, 94 VR&E Independent Living projects have been referred to the SAH program.

Adobe Connect allows LGY to host webinars, events and training online. It provides LGY with capabilities to reach internal and external stakeholders by hosting live training events with closed captioning and monitoring participant engagement in real-time. The software is significantly more expansive and is seamless across different mobile and desktop platforms. Events may be set-up for up to 1,500 participants. Recordings can be made available online for viewing for those unable to attend the live training event. Captioning is embedded into the video recording; therefore, covering 508 compliance requirements.



## *Veteran Readiness and Employment*

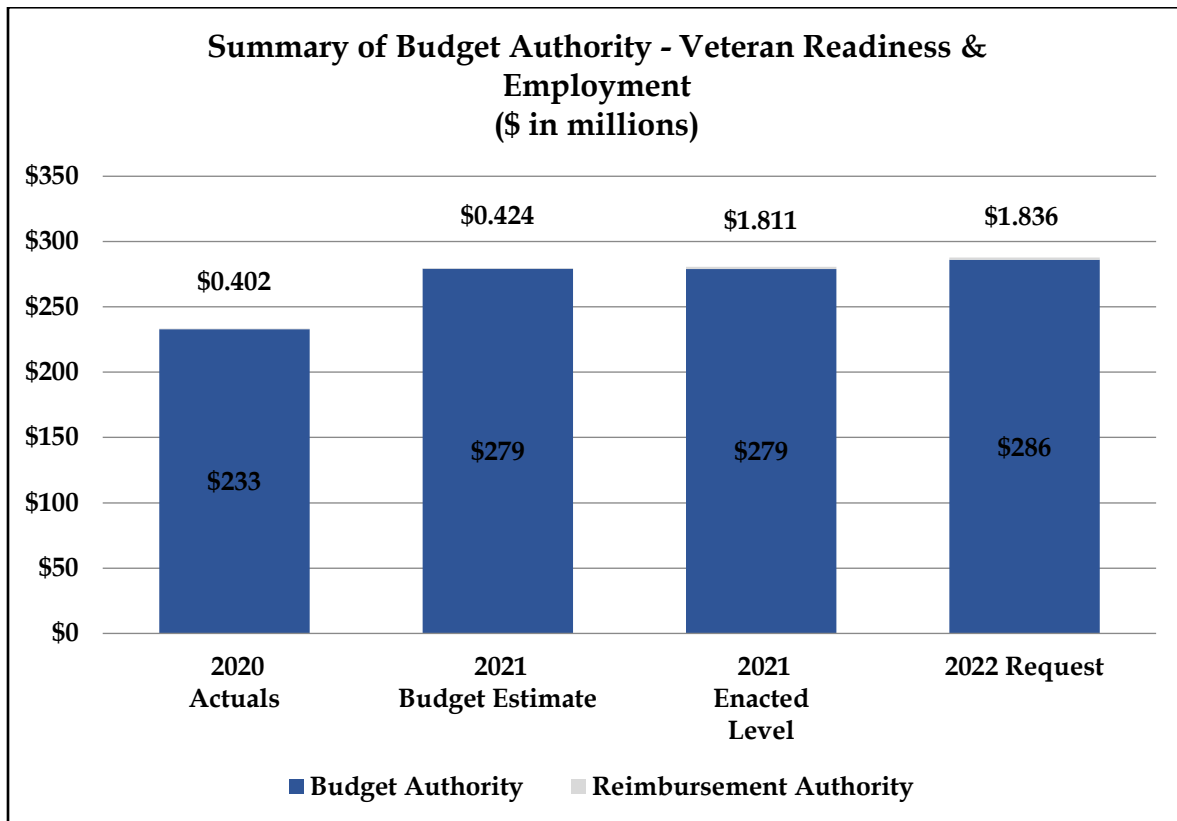
### **Mission**

Provide and administer comprehensive services and assistance to enable Veterans and Service members with service-connected disabilities and employment barriers to prepare for, find and maintain suitable employment. For Veterans with service-connected disabilities so severe that they cannot immediately consider work, the Veteran Readiness and Employment<sup>8</sup> (VR&E) Program offers services to improve their ability to live as independently as possible in their homes and communities.

### **Summary of Budget Authority**

**2022 Budget Authority Request: \$286.4 million**

**Change over 2021 Estimate: \$ + 7.2 million / 2.6%**



<sup>8</sup> Formerly Vocational Rehabilitation and Employment

## Summary of Budget Request

VA requests \$286.4 million in budget authority to fund discretionary portions of VR&E to include administrative expenses for 1,856 FTE.

Veteran Readiness and Employment Summary of Discretionary Appropriation Highlights (dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct	1,458	1,678	1,678	1,678	0
Management Direction and Support	159	178	178	178	0
<b>Total FTE</b>	<b>1,617</b>	<b>1,856</b>	<b>1,856</b>	<b>1,856</b>	<b>0</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$195,510	\$229,924	\$232,096	\$238,446	\$6,350
Overtime	572	500	500	500	0
Travel	2,454	2,493	2,493	2,543	50
Interagency Motor Pool	257	261	261	266	5
Transportation of Things	185	188	188	191	3
Rent, Communications & Utilities	12,423	12,637	12,637	12,890	253
Printing	473	481	481	490	9
Other Services	20,579	31,190	30,385	30,913	528
Supplies and Materials	673	1,508	1,508	1,538	30
Equipment	405	413	413	421	8
Insurance Claims	38	38	38	39	1
<b>Total Administrative Obligations</b>	<b>\$233,569</b>	<b>\$279,633</b>	<b>\$281,000</b>	<b>\$288,237</b>	<b>\$7,237</b>
Reimbursements	-\$402	-\$424	-\$1,811	-\$1,836	-\$25
<b>Net Appropriation</b>	<b>\$233,167</b>	<b>\$279,209</b>	<b>\$279,189</b>	<b>\$286,401</b>	<b>\$7,212</b>
Rescission	\$0	\$0	\$1,171	\$0	-\$1,171
<b>Total Appropriation</b>	<b>\$233,167</b>	<b>\$279,209</b>	<b>\$280,360</b>	<b>\$286,401</b>	<b>\$6,041</b>
<b>Outlays (net)</b>	<b>\$230,414</b>	<b>\$272,229</b>	<b>\$277,269</b>	<b>\$284,472</b>	<b>\$7,203</b>

Dollars may not add due to rounding in this and subsequent charts

## Changes from Original 2021 Estimate

Total obligations for pay increase \$2.2 million for the 1.1% increase in Federal Employees Retirement System benefits.

## Changes from 2021 Current Estimate to 2022 Request

Total obligations increase \$7.2 million which includes \$6.4 million for the anticipated 2.7% pay raise. An additional \$887 thousand in non-pay is based on an anticipated 2% increase in inflation.

## Program Description

VR&E assists Veterans and Service members with service-connected disabilities and barriers to employment prepare for, obtain and maintain suitable employment. VR&E also helps Veterans with an employment barrier so severe that they cannot immediately consider work obtain independent living services. VR&E is the only federally mandated program established to provide



Veterans with service-connected disabilities with comprehensive vocational rehabilitation benefits with the goal of employment.

\$239 million, or 83%, of the 2022 request is for salaries and benefits. VR&E employs over one thousand Vocational Rehabilitation Counselors (VRCs), which includes more than 800 Chapter 31 VRCs, 100 Integrated Disability Evaluation System (IDES) and 87 Vet Success on Campus (VSOC) counselors at over 350 office locations. VR&E's service delivery model supports Veterans where they are located by operating at the 56 Regional Offices (ROs), the National Capital Region Benefits Office, 142 out-based offices, 70 IDES installations and 104 VSOC schools/sites.

VR&E Employment Coordinators (ECs) are charged with helping Chapter 31 Veterans find, apply for and secure suitable employment. ECs currently assist approximately 10 thousand Veterans who are actively seeking employment. ECs provide support for professional job placement, training to prepare resumes for private sector and federal job placement, interviewing skills, career counseling and other job readiness activities.

VR&E employs 67 FTE in the VBA Central office (VBACO), consisting of the Executive Leadership Team, vocational rehabilitation professionals, program support staff, management and program analysts. The majority are in Washington, DC, but two teams are based in Nashville, TN and one is based in Orlando, FL.

The VR&E Oversight Team collaborates with District Offices in overseeing each RO. Previously VR&E site visits were conducted at only 12 ROs per year, but now will be conducted annually at every ROs. District Offices will conduct the on-site visit, while VR&E provides an analysis of the data and information to identify risks or areas of concern. This will increase the oversight provided, allow for earlier intervention when issues arise, increase consistency of service delivery, identify trends and best practices which are shared nationally. When the need arises for a more in-depth review or intervention, VR&E will travel to the RO to help.

The VR&E Policy and Procedures Team recommends policies, procedures and regulations which govern the VR&E program. This ensures quality service delivery to all claimants. The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, P.L. 116-315 will require policy and procedural changes to be developed and implemented before training of VR&E office and field staff.

The Direct Service Delivery Staff (DSDS) consist of 650 employees who are mostly VRCs or Counseling Psychologists, whose primary role is to provide comprehensive individualized services to beneficiaries. Both positions require a master's degree in Rehabilitation Counseling or a related field with at least 30 hours of specific coursework and are required to maintain their professional credential of Certified Rehabilitation Counselor, Certified Veterans Rehabilitation Counselor, Licensed Professional Counselor or National Certified Counselor.

In developing individualized plans, counselors assess Veterans' interests, skills, abilities and labor market information. Counselors provide services addressing activities of daily living, personal adjustment counseling and support services. Veterans can receive education or vocational training

for up to 48 months under the educational assistance benefit.

VR&E counselors work with Veterans to develop an individualized development plan following one of five tracks:

- Reemployment: for Veterans that are now returning to employers for whom they worked previously
- Rapid Access to Employment: for Veterans ready to seek employment after separation and have the necessary skills to find employment
- Self-Employment: for Veterans who have job skills to start a business
- Employment through Long-term Services: provides an extended period of training and rehabilitation services to ensure that Veterans acquire the skills necessary to obtain and maintain suitable employment
- Independent Living (IL): IL plans are designed to enable an individual to achieve maximum independence in daily living and, whenever possible, increase the individual's ability to return to work

VR&E works with each track to achieve a “positive outcome,” defined as Veterans who either achieved a rehabilitation plan goal, pursued higher education, obtained suitable employment or became employable. In 2020, there were over 16 thousand positive outcomes:

- 9,541 Employment Rehabilitations
- 753 Educational Rehabilitations
- 439 Independent Living Rehabilitations
- 4,626 Maximum Rehabilitation Gains/Employable
- 857 Maximum Rehabilitation Gains/Employed

#### Integrated Disability Evaluation System (IDES)

IDES is located at 70 military installations with 100 counselors providing direct services to IDES participants. Services include comprehensive rehabilitation evaluations to determine abilities, skills and interests for employment purposes. Transitioning Service members receive timely benefits and enhanced services from IDES counselors that are collocated on military installations.

Section 1361 (b) of P.L. 110-181, the National Defense Authorization Act, established VR&E eligibility and automatic entitlement before a VA rating is issued. Early intervention helps combat homelessness and financial challenges caused by the loss of income between the transition from military service and the time it takes to obtain civilian employment. Integrating the VR&E program early into the IDES process allows Service members and their families to smoothly transition into civilian life and better adapt. It improves the quality and timeliness of VA benefits delivery by developing a new career that is uniquely appropriate for each Service member during the transition process. VR&E estimates about 20 thousand Service members transitioning annually will be supported through this initiative in 2020 and 2021. New performance standards for IDES

Counselors were implemented on February 1, 2020. These new standards will evaluate the IDES Counselors and the early intervention they provide. Population statistics and workload analysis will determine future IDES Counselors to Service members ratio for each military site.

## Workload

### Online Application Capability

Currently the eBenefits Enterprise Veterans Self-Service Portal (EVSS) provides an automated interface for eligible participants to apply for Chapter 31 counseling services, but VR&E transitioning to VA.gov in 2021 to align with the Case Management Solution (CMS) pilot kickoff date. This is the new application system, providing an eligibility wizard and an orientation express video to ensure the help applicants.

Projected VR&E Workload and FTE Requirements	2019	2020	2021 Estimate	2022 Estimate
Direct Labor FTE	1,421	1,458	1,678	1,678
Actual Participants	122,244	123,490	124,892	126,262
Increase in Actual Participants (over previous year)	-2%	1%	1%	1%
Positive Outcomes	16,789	16,216	TBD	TBD

\*Participants include all Veterans who were in a rehabilitation plan of service or an extended evaluation plan during 2020, including those who were successfully rehabilitated or who discontinued their program of services in 2020.

## Performance Measures

The 2022 requested resource level supports performance measures support five-approved performance measures monitored by OMB:

- Positive Outcomes
- Program Participation Rate
- Accuracy of requirements in closing a Veteran’s case or declaring the Veteran rehabilitated or discontinued
- Average number of days from VR&E’s receipt of the Veteran’s application to notification that the Veteran was found entitled or not entitled to services
- Adherence to 1:125 Vocational Rehabilitation Counselor (VRC) to Veteran ratio per P.L. 114-223, section 254

## Highlights and Accomplishments

### Renaming and Rebranding

VR&E, which formally stood for “Vocational Rehabilitation and Employment”, implemented its new name and rebranded the program on June 22, 2020. VR&E is now “Veteran Readiness and Employment”. Guided interviews revealed a general misunderstanding of the services provided by VR&E among Veterans, and that there was a stigma attached to the term “vocational rehabilitation” that deterred potential program participants. A comprehensive Human Centered Design approach resulted in the identification of opportunities to increase program awareness. Notification of the name change went out to all stakeholders.

### Employment Services Modernization

In June 2020, VR&E deployed the first phase of its Employment Services Modernization initiative to find Veterans in Job Ready Status jobs. National Account Managers will work to identify major employers who will provide jobs for Veterans, and then matching Veterans that meet the qualifications. This has produced 85 virtual job fair events, 100 job leads and 113 business contacts.

### **Providing Veterans with Earned Benefits**

#### Modernization and Digital Transformation

VR&E conducted a Time and Motion study in 2018 to gain baseline data on the time it takes employees to perform daily tasks that are part of their assigned duties. The administrative constraints discovered during the Time and Motion study led VR&E to initiate an organizational modernization initiative to improve benefits delivery to program participants. VR&E has implemented and deployed a multifaceted modernization effort, to modernize antiquated legacy systems, streamline processes and improve the Veteran experience. Exercising Software as a Service (SaaS) within the VR&E has enabled increased system capacity, agility and improved reporting capabilities.

#### VR&E Electronic Virtual Assistant (e-VA)

VR&E is leveraging artificial intelligence through e-VA, which performs scheduled interactions with assigned program participants via text message or email. Participants can schedule or reschedule appointments, upload documents and leave messages for their counselor anytime. e-VA stands as the bidirectional communication vehicle for more than 120 thousand program participants. VRCs leverage e-VA for balancing caseload and managing participant interactions and correspondence. Claimant adoption rate of e-VA is over 92%. The e-VA application documented over 3.5 million case notes since deployment. The automation of case notes improves the quality, timeliness and accuracy of the participant case file.

The virtual assistant also employs sentiment tone analyzer technology. The tone analyzer service uses linguistic analysis to detect emotional and language tones in written text. The tonal information and reporting can be summarized at multiple levels to develop benchmarks for quality and training. VR&E is developing training from baseline data. All staff will receive specific training based on the trends VR&E sees from the response data provided by the tone analyzer.

#### Case Management Solution (CMS)

VR&E is collaborating with the Office of Business Integration (OBI) and Office of Information and Technology (OIT) for the next step in the VR&E CMS Service. VR&E will be able to transfer system upgrades and maintenance from the IT budget to VR&E contracted services. e-VA and CMS will allow counselors to manage workload more efficiently and effectively. These improvements will allow more time for high-quality counseling and employment services. The Minimally Viable Product (MVP) for Chapter 31 services will be implemented at four pilot locations in 2021.

### VA Video Connect (VVC)

VR&E is using tele-counseling through the VA Video Connect Platform which provides secure video teleconferencing technology to VRCs. This allows VRCs the capability to remotely counsel Veterans who have busy schedules, live in rural locations or face transportation challenges. Tele-counseling was deployed during 2019 and completed nearly 19 thousand appointments. In 2020, VR&E scheduled over 106,330 tele-counseling appointments, an increase of 316% from 2019.

The importance of the VA Video Connect tele-counseling was amplified by the onset of the COVID-19 pandemic. The ability to pivot from a brick and mortar operation to a virtual posture overnight was facilitated through the capabilities of the VA Video Connect. This platform enabled continuity of operations and determined the baseline for managing business virtually. VR&E shared this technology with more than 500 additional staff from other programs in VBA to sustain their operations during COVID-19.

### Invoice Payment Processing System (IPPS)

OMB Memorandum M-15-19 required VR&E to use an electronic authorizing and invoicing system for a program participant's tuition, books and fees. The IPPS transformed VR&E's authorization and invoice processes. VR&E has been able to improve reporting capabilities and provide oversight of service provider payments at the enterprise level. In 2020, VR&E paid over 161 thousand invoices for over \$466 million with 99.97% paid in less than 60 days and 99.6% under 30 days, reducing late payments from 6% in 2019 to .01% in 2020.

The IPPS platform is 20 times faster at processing invoices than manual processing. The increased capability returns over three hours per week to VRCs. That savings is reinvested directly into program participants and case management activities.

### Competency-Based Training System (CBTS)

VR&E worked with the Office of Talent Management to deploy the second year of the VRC CBTS in 2020. The CBTS is administered annually to eligible VRCs in accordance with the VR&E CBTS Badge Schedule. This system delivers empirically researched and industry benchmarked competency assessments on counselors, which identifies training needs and provides specific training for each counselor.

### **Ensuring Fiscal Stewardship**

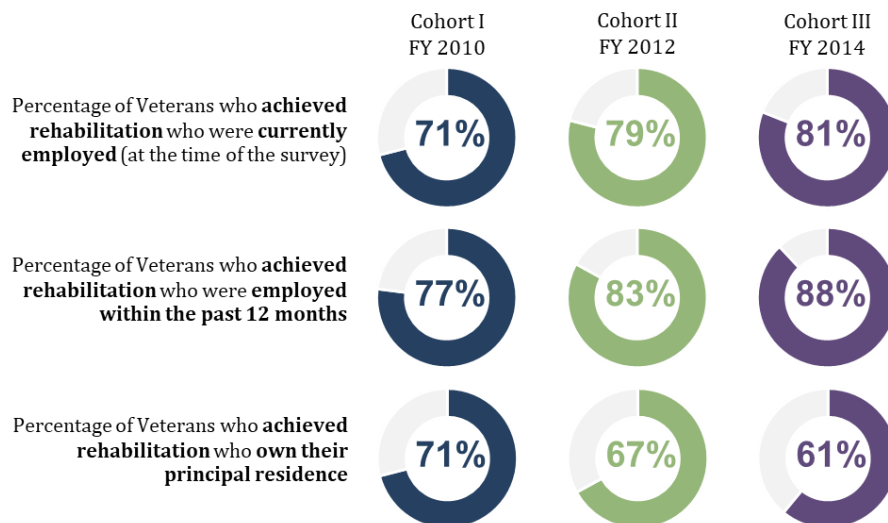
#### Longitudinal Study

The Veterans' Benefits Improvement Act of 2008, P.L. 110-389 created the [VR&E Longitudinal Study](#) of Veterans who began VR&E programs in 2010, 2012 and 2014. Reports are submitted to Congress annually on the long-term benefits of participating in the Chapter 31 program. VR&E will continuously analyze trends among Veterans receiving services and improve and adapt services to their changing needs.

The longitudinal study will allow for robust comparison across the three cohorts. The primary focus of the VR&E Longitudinal Study is on the long-term employment and standard of living outcomes for VR&E participants after they exit the program. A "rehabilitated" Veteran is one who successfully completes the rehabilitation program. Veterans are considered rehabilitated once

suitable employment has been maintained for at least 60 days. As shown in the figure below, Veterans who have achieved rehabilitation report high levels of employment and homeownership.

### Rehabilitated Veterans have High Levels of Employment and Homeownership



- The rate of homeownership the cohorts are:
  - Cohort 1 is 71%
  - Cohort 2 is 67%
  - Cohort 3 is 61%
  - United States population is 64.6%<sup>9</sup>
- Veterans who have achieved rehabilitation reported higher annual income amounts than discontinued participants – more than \$20 thousand for individual income and at least \$23 thousand for household income.
- Median (combined) income:
  - Cohort 1 is \$72,000
  - Cohort 2 is \$71,000
  - Cohort 3 is \$70,000
- Median (combined) income:
  - Cohort 1 is \$59,000
  - Cohort 2 is \$60,000
  - Cohort 3 is \$60,000

<sup>9</sup>U.S. Census Bureau. Quarterly Residential Vacancies and Homeownership, Fourth Quarter 2019. Table 4SA. Accessed April 4, 2019. <https://www.census.gov/housing/hvs/files/currenthvspress.pdf>

The most substantive finding of the study is that regardless of the length of time since Veterans who have achieved rehabilitation, they are substantially achieving better employment and standard of living outcomes than those who discontinued services.

### **Fostering a Culture of Collaboration**

Stakeholders include Service members, Veterans, Guard and Reserve members and dependents of certain Veterans. Partners include VHA, Department of Labor, Small Business Administration, Office of Personnel Management, Department of Defense (DoD), General Services Administration, Social Security Administration, Internal Revenue Service, Congress, Veterans Service Organizations and other vocational rehabilitation facilities.

VR&E is working with VBA Compensation Service's Pre-discharge and Interagency Collaboration to ensure the 180-day target for the Physical Evaluation Board is met.

VR&E has added a new function for monitoring performance data at the station level. This provides:

- Data to optimize performance and share best practices
- Identify areas of concern when assistance might be required
- Understand resource and operational issues
- Ensure modernization initiatives are being implemented
- Support and enhance customer service outcomes

### **Commission on Rehabilitation Counselor Certification (CRCC)**

VBA will continue to strengthen its partnership with CRCC. CRCC allows eligible VR&E counselors to request reimbursement or sponsorship for application and renewal fees. VR&E will continue to support VHA's Employee Education System that offers CRCC accreditation, continuing education credits and just-in-time verification forms all VHA and VBA employees.

### **Suicide Prevention**

Suicide is a national health concern and VA believes that all its programs have a role in reducing Veterans' risk of suicide. The VR&E program helps Veterans find greater purpose through employment training and independent living. VR&E ensures that VRCs have met nationally accepted levels of competency and have achieved higher levels of counselor preparation and education as it pertains to suicide prevention. VR&E has established a partnership between Virtual Assistant (e-VA) and the Veteran Crisis Line (VCL). The functionality within the e-VA platform allows for the scanning of all electronic communications for keywords and phrases containing harmful or self-destructive language. The partnership allows VR&E to provide additional follow-up care for participants in crisis. This provides a safeguard to ensure Veterans receive mental health care when needed and then ensures follow-on support is available using a continuation of care model.

### **Non-Paid Work Experience (NPWE) Program**

The NPWE provides Veterans who might lack suitable work experience an opportunity to gain valuable skills in positions similar to their interests, providing training and practical job

experience. Participants also receive a monthly monetary subsistence allowance to assist with living expenses. The NPWE serves as a major “tool in the toolbox” for ECs and VRCs.

#### Chapter 31 National Contracts

VR&E manages the Chapter 31 National Contracts and NCRBO providing ROs with contractual vehicles to obtain VR&E services on a national basis. This provides surge capacity during peak retirement and separation timeframes.

#### Career Assessment Tool

VR&E continues to utilize an online career assessment tool that measures the Veteran’s aptitude, interests, ability, temperament and personality as a part of a comprehensive exam that promotes transition planning. The Veteran and a VR&E counselor review the results as a part of the counseling and evaluation process. Results of the assessment and other information help determine educational objectives and career goals. This is integral part of the foundation for the individualized rehabilitation plan. In 2020, over 49 thousand assessments were completed.





# *Insurance*

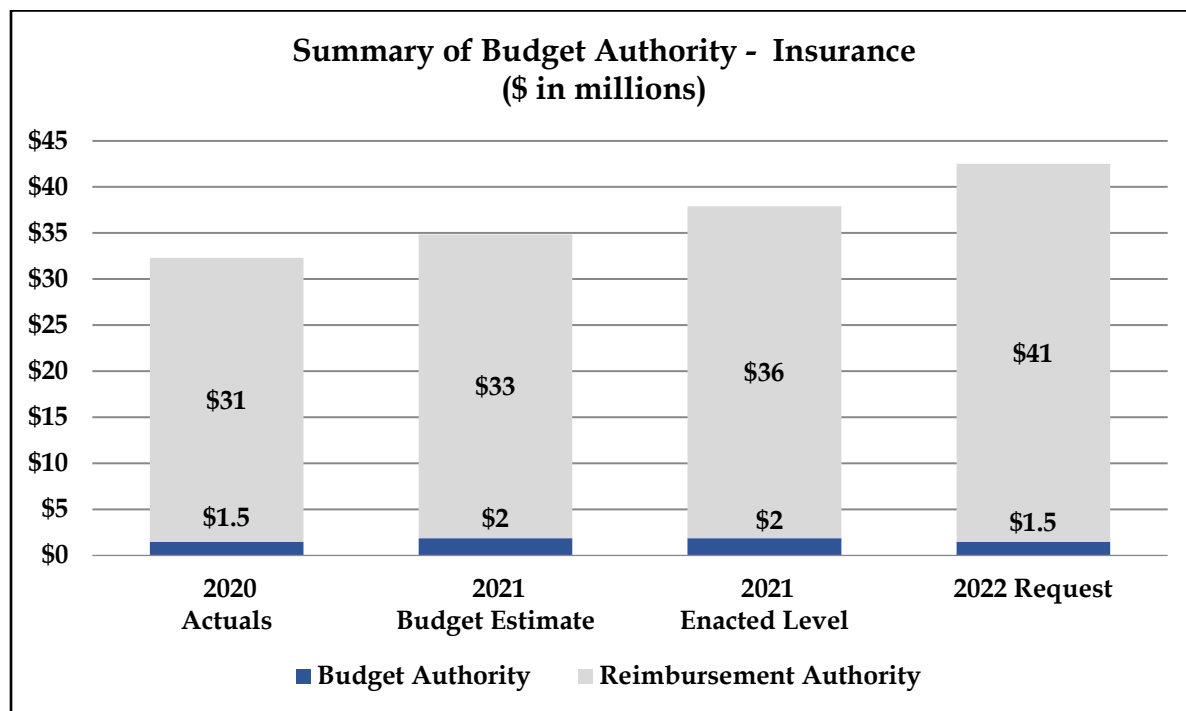
## **Mission**

To provide our Nation’s Veterans, Service members and Military Families insurance products and services.

## **Summary of Budget Authority**

**2022 Budget Authority Request: \$1.5 million**

**Change over 2021 Enacted Level: -\$346 thousand / -18.5%**



## **Summary of Budget Request**

VA requests \$1.5 million in budget authority to fund the Veterans’ Mortgage Life Insurance (VMLI) Program as well as projects and activities not directly associated with Insurance Service’s (Insurance) reimbursable programs. Total budget authority and offsetting collections will fund obligations of \$42.3 million in 2022. This request will enable Insurance to continue administering valuable life insurance benefits programs to Veterans, Service members and their families. It funds administrative expenses for 352 FTE who maintain the insurance accounts, answer toll-free

insurance inquiries, process new insurance applications, perform outreach activities to disabled Veterans, pay insurance policy loans and cash surrender requests from policyholders and pay life insurance death benefits to beneficiaries.

<b>Insurance</b>					
<b>Summary of Discretionary Appropriation Highlights</b>					
(dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct	269	275	301	331	30
Management Direction and Support	23	21	21	21	0
<b>Total FTE</b>	<b>292</b>	<b>296</b>	<b>322</b>	<b>352</b>	<b>30</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$29,187	\$31,228	\$33,767	\$38,004	\$4,237
Overtime	39	41	100	100	0
Travel	16	91	91	91	0
Interagency Motor Pool	5	5	5	6	1
Transportation of Things	0	1	0	0	0
Rent, Communications & Utilities	2,255	2,498	2,372	2,532	160
Printing	68	14	38	38	0
Other Services	718	595	672	1,212	540
Supplies and Materials	47	116	87	87	0
Equipment	5	252	252	252	0
Insurance Claims	3	0	0	0	0
<b>Total Administrative Obligations</b>	<b>\$32,343</b>	<b>\$34,842</b>	<b>\$37,384</b>	<b>\$42,322</b>	<b>\$4,938</b>
Reimbursements	-\$30,857	-\$32,972	-\$35,514	-\$40,798	-\$5,284
<b>Net Appropriation</b>	<b>\$1,486</b>	<b>\$1,870</b>	<b>\$1,870</b>	<b>\$1,524</b>	<b>-\$346</b>
<b>Rescission</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Appropriation</b>	<b>\$1,486</b>	<b>\$1,870</b>	<b>\$1,870</b>	<b>\$1,524</b>	<b>-\$346</b>
<b>Outlays (net)</b>	<b>\$1,398</b>	<b>\$1,779</b>	<b>\$1,759</b>	<b>\$1,446</b>	<b>-\$313</b>

Dollars may not add due to rounding in this and subsequent charts.

## Changes from Original 2021 Estimate

Total FTE increases by 26 to support requirements for information technology (IT) modernization, increased data analytics, implementation of enterprise risk management, oversight, strategic communications and implementation of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, P.L. 116-315. Insurance is modernizing its aging IT systems from 1950s mainframes to a modern cloud environment. This will provide a sustainable platform for Insurance to manage its workload, provide increased data reporting capabilities and continued exceptional customer service. New FTE will support data analytics made possible by the new IT system. These advances will modernize management tools, ensuring timely and accurate services to our customers. The increased FTE will also support the implementation of P.L. 116-315, which will modernize the Service-Disabled Veterans Insurance (S-DVI) program by closing new enrollments to the legacy program on December 31, 2022, and replacing it with a new insurance program, Veterans Affairs Life Insurance (VALI), effective January 1, 2023. The new program will expand the pool of eligible Veterans because service-disabled Veterans under age 81 cannot be denied coverage for any pre-existing health conditions and the application period for insurance coverage is not restricted to a two-year time limit.

## Changes from 2021 Current Estimate to 2022 Request

The FTE request for 2022 increases by 30 FTE for training and operations staff to support S-DVI policy conversions, Veterans education and establishing VALI. Total obligations increase by \$4.9 million for personal services and administrative expenses (included in rent, communications and utilities). Other services increase for project management and financial/accounting consulting support, which is required to validate the proper establishment/classifications of accounting transactions. This will ensure successful documentation, scheduling, requirements gathering, change management, analysis and testing.

## Program Description<sup>10</sup>

Insurance employs 301 direct employees in Philadelphia, PA. Insurance operations personnel include: claims examiners who process over 31 thousand insurance applications/waiver claims and 79 thousand death claims a year; insurance specialists who handle over 434 thousand annual calls to the Insurance Customer Service Center; clerks who triage approximately 50 thousand incoming applications/correspondence each year for processing; financial accounts technicians who assist in processing 162 thousand maintenance actions (i.e. correspondence reviews, policy updates, etc.) a year; and specialists who provide outreach efforts to 30 thousand disabled Veterans annually to inform them of their potential insurance options. VBA's quality assurance staff review 100% of employee-generated disbursements prior to release and monitor system-generated disbursements. This staff is a major factor in Insurance's ability to exceed a 98% accuracy rate for quality of disbursements and 99.9% accuracy rate for proper payments. The program management staff work in the following areas: risk management, budget, accounting, performance management, actuarial, training, policy, procedures, business system support, stakeholder engagement, strategic communication, innovation and program oversight. The co-location of the Insurance program management and operating divisions contributes to Insurance's ability to provide swift and accurate responses to emerging issues and ensures that all Insurance personnel have unity of effort.

VA offers life [insurance coverage](#) at competitive premium rates for Veterans that complements their uniformed service. Insurance provides Veterans with life insurance benefits that may not be available from the private insurance industry due to lost or impaired insurability resulting from military service. Insurance also provides universally available life insurance benefits to Service members and their Families, traumatic injury protection insurance for Service members and options to convert existing term insurance policies to either permanent plans or renewable term insurance policies after separation from service.

The following programs assist with financial security for Service members' and Veterans' beneficiaries upon the insured's death:

- Service members' Group Life Insurance (SGLI) provides up to \$400 thousand of term life insurance coverage to Service members that can be converted to Veterans' Group Life Insurance (VGLI) or to a permanent life insurance policy with any of VA's participating commercial insurance companies after the Service member's separation from duty.

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<sup>10</sup> See Vol.3-Part2-Benefits-Insurance Benefits for more information on Insurance Programs

Full-time SGLI coverage is available for:

- Commissioned, warrant, and enlisted members of the Army, Navy, Air Force, Marine Corps, Space Force and Coast Guard
- Commissioned members of the National Oceanic and Atmospheric Administration (NOAA) and the United States Public Health Service (USPHS)
- Cadets or midshipmen of the United States Service Academies
- Ready Reservists scheduled to perform at least twelve periods of inactive training per year
- Members of the Individual Ready Reserves (IRR) who volunteer for assignment to a mobilization category
- Service members' Group Life Insurance Traumatic Injury Protection (TSGLI) provides short-term financial assistance to severely injured Service members to lessen the economic burden on them and their families during an extensive recovery and rehabilitation process. All Service members who have SGLI coverage are automatically covered by TSGLI.
- Family Service members' Group Life Insurance (FSGLI) coverage is available only for spouses and children of members insured under the SGLI program.
- VGLI is provided as a conversion of SGLI coverage to a renewable term insurance policy after a Service member's separation from service. Coverage is available for the following members:
  - Full-time SGLI insureds who are released from active duty or the reserves
  - Ready Reservists who have part-time SGLI coverage who, while performing active duty or inactive duty for training for a period of less than 31 days, incur a disability or aggravate a pre-existing disability that makes them uninsurable at standard premium rates
  - Members of the IRR, the USPHS Inactive Reserve Corps (IRC) and Inactive National Guard (ING)
- SGLI Disability Extension (SGLI-DE) provides up to two years of free SGLI coverage for insured Service members who are totally disabled at the time of separation. To be considered totally disabled, the Service member must have a disability that prevents gainful employment, or have one of the following conditions, regardless of employment status:
  - Permanent loss of use of both hands
  - Permanent loss of use of both feet
  - Permanent loss of use of both eyes
  - Permanent loss of use of one hand and one foot
  - Permanent loss of use of one foot and one eye
  - Permanent loss of use of one hand and one eye

- Total loss of hearing in both ears
- Organic loss of speech<sup>11</sup>
  - Service-Disabled Veterans Insurance (S-DVI) provides life insurance coverage to Veterans who may not be able to obtain coverage from the commercial life insurance industry due to their service-connected disabilities. In order to be eligible for S-DVI, a Veteran must:
    - Have been released from active duty under other than dishonorable conditions on or after April 25, 1951
    - Receive a new grant of service connection, regardless of the rating assigned
    - Be in good health except for any service-connected conditions
    - Apply within two years from the date VA grants a new service-connected disability
- VMLI provides up to \$200 thousand in mortgage protection insurance that can help families of severely disabled Service members or Veterans pay off their home mortgage in the event of death. Veterans must apply for VMLI before their 70<sup>th</sup> birthday. VMLI is only available to Service members and Veterans with severe service-connected disabilities who:
  - Received a Specially Adapted Housing (SAH) grant to help build, remodel, or purchase a home, and
  - Have the title to the home, and
  - Have a mortgage on the home
- United States Government Life Insurance (USGLI), National Service Life Insurance (NSLI), Veterans' Special Life Insurance (VSLI) and Veterans' Reopened Insurance (VRI) provide life insurance coverage to World War I, World War II and the Korean War Era Veterans. These programs are no longer issuing policies though still are serviced by the VA for existing policyholders.

## Workload

In 2022, VBA will continue to place the needs, expectations and interests of Veterans and their families first. Workload projections are listed below.

<b>Insurance Workload and Direct FTE Requirements</b>	<b>2019</b>	<b>2020</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Insurance Direct Labor FTE	270	269	301	331
Death Claims	86,782	79,938	81,200	78,830
Loans and Cash Surrenders	38,390	30,761	38,990	37,690
Telephone Calls Answered	463,718	431,915	464,630	434,380
S-DVI & VMLI Applications	29,477	27,330	31,780	31,780
All Other Insurance Maintenance Actions	208,480	168,914	224,310	162,430

<sup>11</sup> Lost ability to express oneself, both by voice and whisper, through normal organs for speech; being able to speak with an artificial appliance is disregarded in determination of total disability.

As the USGLI, NSLI, VSLI and VRI programs no longer issue new policies, workload associated with those programs (e.g., Death Claims, Telephone Calls Answered and Insurance Maintenance Actions) will continue to decline in 2022 with the advancing age of the policyholders and decline in the total policies in force.

VA currently issues new policies for S-DVI and VMLI. Workload for the S-DVI and VMLI applications includes the processing of applications for insurance and S-DVI waiver of premiums. S-DVI and VMLI applications are projected to remain level from 2021 to 2022. Other Insurance workload includes loans and cash surrenders, which are also projected to remain stable from 2021 to 2022. Workload is expected to increase in 2023 as the new insurance program will open to enrollments beginning January 1, 2023. Insurance anticipates significant interest and applications related to the new program and conversions from S-DVI in 2023, therefore direct FTE requirements increase in 2022 in preparation for the workload increase.

### **Performance Measures**

In 2022, Insurance will sustain high customer service ratings and trust. Our client satisfaction ratings have historically exceeded insurance industry standards as measured against private sector firms. Our goal is to provide world class service as we process nearly 120 thousand disbursements annually, with consistent performance under four workdays, or less, exceeding 98% accuracy. The Insurance call center will continue to answer approximately 434 thousand calls within the targeted average speed to answer of 20 seconds, as compared to a speed to answer target of 30-300 seconds at many commercial life insurance call centers<sup>12</sup>.

	<b>2020 Actual</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Calls Answered	431,915	464,630	434,380
Average Speed of Answer	19 seconds	20 seconds	20 seconds

The 2022 requested resource level supports performance measures which drive continuous improvement and increased client satisfaction. Insurance employs a variety of techniques to enhance the customer experience and improve client satisfaction, such as the toll-free Insurance Customer Service Center, e-mail, the Interactive Voice Response (IVR) system, social media and the Insurance self-service website.

### **Rate of High Client Satisfaction Ratings on Insurance Services Delivered**

Insurance has historically used a paper-based customer survey process to measure customer satisfaction and identify customer service improvement opportunities. To modernize and align with the surveying method of other VBA contact centers, Insurance coordinated with the Veterans Experience Office (VEO) Enterprise Measurement & Design (EMD) Team to transition the

<sup>12</sup> According to a 2021 survey of life insurance industry call centers, more than 85% of industry respondents reported average speed to answer performance targets ranging between 30 and 300 seconds. Insurance Call Center Service Standards and Metrics 2021, pages 9-10, March 2021, Copyright LL Global, Inc.

teleservice surveying process to Veterans Signals (VSignals) in 2021. The remainder of the locally surveyed end products will be transitioned over to VSignals by the end of 2022.

27% of the total projected calls will be surveyed by VSignals for customer satisfaction. Insurance staff can review survey responses, conduct analysis and visualization of data by periods, geographic location, demographics and other dimensions through the developed VSignals dashboard. Data is integrated into the dashboard environment to enable analysis of survey results by aspects of that individual's experience, such as waiting time, assistance received during the call and Veteran confidence on knowing next steps. These tools also help Insurance make overall process improvements.

Insurance will designate personnel to analyze customer experience findings and service recovery feedback monthly. This will identify trends and possible process improvement opportunities from the VSignals dashboard and other available tools. Insurance personnel will review the analysis and conduct service recovery efforts for low-scoring responses to the Likert-type questions for the survey. Direct outreach will be used to help dissatisfied customers, continue to identify emerging trends, identify best practices, inform additional process improvement activities and help uncover areas where training needs exist.

We periodically validate our high client satisfaction rate with participation in the American Customer Satisfaction Index (ACSI) study. In 2019, Insurance received a strong customer satisfaction score of 83 on a scale of 100, exceeding all other reported in the life insurance industry. ACSI is an independent survey that scores customer satisfaction for more than 300 companies as well as federal and local government agencies. The customer service index score of 83 is well above the Government average of 70 and higher than the Life Insurance industry average score of 80. The final score is based on favorable responses to questions of customer satisfaction compared to customer expectations. Participation in the study assists Insurance leadership in determining where to invest in improvement that will have the greatest return for customer satisfaction, confidence and advocacy.

### **Accuracy and Timeliness of Disbursements**

Insurance has implemented several initiatives to achieve the goal of processing disbursements in four workdays, or less, with an accuracy rate of 98% or higher, which has been achieved for the past two years. Veterans can now use the new online Insurance Document Upload Tool to quickly, easily and securely submit insurance documents.

The Department of Treasury's Bureau of the Fiscal Service provides an analytics tool called Do Not Pay (DNP) to help agencies detect and prevent improper payments made to vendors, grantees, loan recipients and beneficiaries. Agencies can check multiple data sources to make eligibility decisions, including checking the death notification for the payee. Insurance uses the DNP application to identify Veterans and beneficiaries who may have died. Early identification results in the need for less development of the claim and paying an alternative beneficiary more quickly. The DNP tool has been beneficial for Insurance as reflected by the Insurance improper payment rate which is less than 0.03% for outlays.

Insurance is also continuing work to identify difficult-to-find beneficiaries for claims pending one

year or longer. This may be the Veteran's next of kin, or another "next best beneficiary," who may be eligible to receive the life insurance proceeds. Veterans may now update their beneficiary designations online, ensuring their designation reflects their most up to date wishes.

## **Highlights**

VBA's 2022 Insurance budget request aligns with VBA's Strategic Goals of Trust, Innovation, Stewardship and Partnership. These priorities put emphasis on providing survivor benefits in an exceptional manner.

### **Trust - Providing Veterans with Earned Benefits**

Insurance provides high-value life insurance benefits for Veterans, Service members and their beneficiaries in a timely and efficient manner. Employees in the Insurance Customer Service Center complete requested actions at the time of a Veteran's call when possible. This improves overall timeliness of service delivery because telephone call issues are often addressed immediately, not referred for processing by another employee.

Insurance continuously studies and implements methods to improve timeliness of services and benefits. One example is the January 27, 2020 launch of an online beneficiary update capability that allows Veterans and beneficiaries to securely update their beneficiary information using their computer or mobile device. The beneficiary designation forms are then processed directly into the Insurance imaging system and electronic workflow tasks are automatically created for the documents requiring further development. This beneficiary update solution provides customers a faster and more secure alternative to mailing or faxing and ensures requests are immediately controlled so that they can be completed in a timely manner. Insurance provides benefits for Veterans by proactively engaging disabled Veterans to inform them of their insurance options, with a special emphasis on contacting severely disabled Veterans whose disabilities would prevent them from purchasing life insurance in the private sector. This outreach effort resulted in direct contact with over 46 thousand Veterans in 2020, with 16,648 Veterans, or 36%, obtaining VGLI or SGLI disability extensions.

### **Stewardship - Ensuring Strong Fiscal Stewardship**

Insurance's discretionary expenses are primarily self-funded through premium collections and redemption of securities. Over 90% of the requested resource levels are reimbursable by the Insurance funds. Taxpayer dollars support the administration of the VMLI program and limited other items (described in the Summary of Budget Request).

Insurance continues to be a good fiscal steward of taxpayer and policyholder dollars by using various methods to minimize the risk of improper payments. In 2020, Insurance's improper payment rate was less than 0.03% of outlays. The methods used to ensure payments are accurately made to the correct individuals include: employing a dedicated quality assurance staff that monitors, reviews and approves all employee-generated insurance disbursements to ensure the propriety of system-generated disbursements; using data matches with information from the Social Security Administration to ensure monthly Insurance benefit recipients are still entitled to benefits; employing a Statistical Quality Control program to help validate the proper payment rate and assess the ongoing quality and timeliness of our work products; and conducting a monthly post audit review of randomly selected outlays as part of VBA's Payment Recapture and Recovery



Audit in compliance with the Improper Payments Elimination and Recovery Act (IPERA) of 2010, P.L. 111-204.

## **Innovation**

Insurance uses a web-based, Voice-Over Internet Protocol cloud technology that allows for a more stable telephone service and a self-service environment. This allows greater continuation of operations and planning as agents receive incoming calls through their computer and connected headset. The platform has robust reporting and monitoring systems that allow for projecting customer traffic, real-time monitoring and customer recordings to train and assess quality.

Insurance is continuing to expand its online applications by providing improved functionality and easier access to information and benefits. Insurance now allows Veterans to check the status of their loan requests using the Insurance online self-service website. Veterans can also view their policy information online through VA.gov. Veterans can now apply for S-DVI through the VA.gov portal, a modern, user friendly interface for Veterans to complete and submit applications.

Insurance is committed to improving data analytics. Insurance is partnering with VBA's Office of Performance Analysis and Integrity to continue to develop and implement robust reporting tools that provide improved workload management.

## **Partnership - Fostering a Culture of Collaboration**

Insurance focuses its resources by collaborating with its partners to provide benefits and services effectively and efficiently. Partners include the uniformed service branches, the Department of the Treasury, the SGLI Advisory Council, OMB, the Congress, Veterans Service Organizations, the public, the private sector and the 12 insurance companies that serve as converters or re-insurers for the SGLI Program.

Examples of joint efforts include:

- In response to COVID-19, a final rule approving an extension of the application period for VGLI was published in the Federal Register on October 7, 2020. Veterans may be impacted either financially or by the inability to see their doctor to obtain medical records to establish eligibility. As a response, Insurance extended the period for former Service members to apply for VGLI for applications received from June 11, 2020 through June 11, 2021. To implement and socialize the change, VA worked with uniformed services and other partners to ensure that the change was effectively communicated. The extension of the VGLI application deadlines has helped to ensure that more recently separated Service members can continue the life insurance coverage they carried while on active duty.
- Partnering with the uniformed services and the Defense Manpower Data Center (DMDC) to develop, test and implement the SGLI Online Enrollment System (SOES); the online application for active Service members to manage their SGLI coverage and beneficiary elections. SOES is accessed through the DMDC MilConnect portal, which uses the DoD Self-Service (DS Log-on) or Common Access Card. The system increases efficiency by reducing errors inherent to previous paper-based processes and time

needed to complete and file paper forms. SOES assists Service members by providing them a means to manage their SGLI elections from any location, 24 hours a day.

### **Survivor Benefits**

Insurance supports survivor benefits by increasing economic security for survivors. Insurance will expand outreach efforts for conversion from SGLI to VGLI. Earlier and more frequent interaction with separated Service members and Veterans will increase awareness of the benefits of insurance coverage and the options available.

Insurance is also working towards implementing Public Law 116-315. The new VALI program, effective January 1, 2023, will provide Veterans with assurance that their families will be taken care of financially after their death with coverage amounts from \$10 thousand to \$40 thousand. Veterans insured under the existing S-DVI program will have the option to convert their current insurance to VALI.



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## *Office of Transition and Economic Development*

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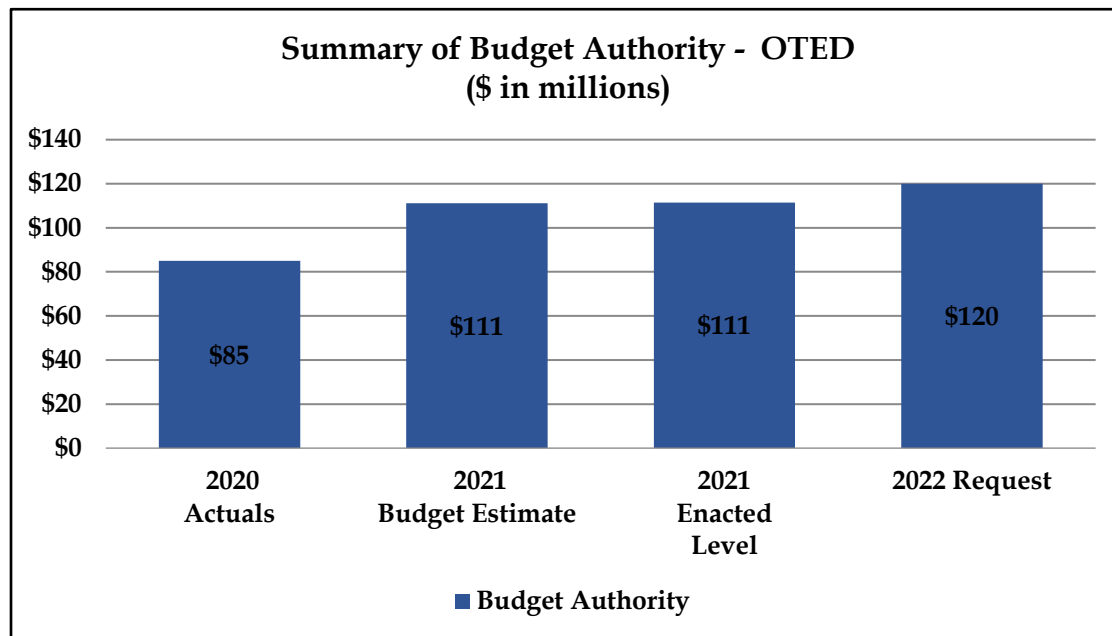
### Mission

To ease the transition from military service to civilian life by engaging transitioning Service members, Veterans, and their families at each step of the journey, by providing early access to VA benefits and resources, and connecting them to a cultivated network of partners who are working together to accelerate their economic empowerment and well-being.

### Summary of Budget Authority

**2022 Budget Authority Request: \$120.4 million**

**Change over 2021 Estimate: +\$9.2 million / 8.3%**



## Summary of Budget Request

VA requests \$120.4 million in budget authority to fund the discretionary portions of the Office of Transition and Economic Development (OTED), to include administrative expenses for 178 full-time equivalent (FTE), to support programs designed for transitioning Service members, Veterans and their families to achieve their personal goals and sustain economic success and total well-being.

Office of Transition and Economic Development Summary of Discretionary Appropriation Highlights (dollars in thousands)					
	2020	2021		2022	2022 - 2021
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
<b>FTE</b>					
Direct	27	162	162	162	0
Management Direction and Support	3	16	16	16	0
<b>Total FTE</b>	<b>30</b>	<b>178</b>	<b>178</b>	<b>178</b>	<b>0</b>
<b>Obligations</b>					
Personal Services (without overtime)	\$5,307	\$17,568	\$17,788	\$18,275	\$487
Overtime	4	50	50	50	0
Travel	38	39	39	46	7
Interagency Motor Pool	6	6	6	6	0
Transportation of Things	1	1	1	1	0
Rent, Communications & Utilities	219	223	223	227	4
Printing	4	4	4	4	0
Other Services	76,847	90,321	90,249	98,896	8,647
Supplies and Materials	12	13	13	13	0
Equipment	2,903	2,951	2,951	3,019	68
Insurance Claims	0	0	0	0	0
<b>Total Administrative Obligations</b>	<b>\$85,341</b>	<b>\$111,176</b>	<b>\$111,324</b>	<b>\$120,537</b>	<b>\$9,213</b>
Reimbursements	\$0	\$0	-\$134	-\$136	-\$2
<b>Net Appropriation</b>	<b>\$85,341</b>	<b>\$111,176</b>	<b>\$111,190</b>	<b>\$120,401</b>	<b>\$9,211</b>
<b>Rescission</b>	<b>\$0</b>	<b>\$0</b>	<b>\$105</b>	<b>\$0</b>	<b>-\$105</b>
<b>Total Appropriation</b>	<b>\$85,341</b>	<b>\$111,176</b>	<b>\$111,295</b>	<b>\$120,401</b>	<b>\$9,106</b>
<b>Outlays (net)</b>	<b>\$83,192</b>	<b>\$108,397</b>	<b>\$109,616</b>	<b>\$117,757</b>	<b>\$8,141</b>

Dollars may not add due to rounding in this and subsequent charts.

### Changes from Original 2021 Estimate to 2021 Current Estimate

Total administrative obligations for pay increase are \$220 thousand for the 1.1% increase in Federal Employees Retirement System benefits.

### Changes from 2021 Current Estimate to 2022 Request

Total administrative obligations increase \$9.2 million from the 2021 current estimate. VBA's request includes an increase of \$487 thousand in personnel services. The increase in other services includes \$3.6 million to develop a VA Disability Employment Pilot Project and \$5 million to support the Department of Labor (DOL) in developing a clean energy job training program for eligible Veterans, transitioning Service members, and military spouses.

## **Program Description**

OTED is dedicated to easing a servicemembers transition from the military-to-civilian life. OTED collaborates with Veterans Service Organizations, state and local governments, nonprofits and private industry to provide transitioning Service members, Veterans and their families all the benefits and opportunities currently offered by VA. The programs and services managed by OTED serve as an integral part of VA's broader effort to better coordinate and support a successful transition to civilian life.

OTED's organizational structure includes three divisions:

- The Transition Division engages with Service members while they are still on active duty, partnering early in the Military Life Cycle (MLC). During this two-year timeframe, those transitioning may experience stress that could increase the risk of mental health issues and suicide.
- The Post Separation Division incorporates outreach and connectivity with a variety of programs that ease the transition after separation and into civilian employment, education, entrepreneurship and retirement. Post Separation oversees a framework of programs and counseling opportunities for the Veteran, including personal one-on-one communication at various times in the one-year transition period after separation.
- The Economic Development Division (EDD) focuses on helping communities increase the economic condition of Veterans and their families to support themselves with meaningful employment. Through Economic Development Initiative (EDI) programs, EDD brings community organizations together to create local events that support Career Fairs, Benefit Fairs, and other outreach solutions to Veteran communities in depressed geographic areas as designated by the Internal Revenue Service. This strengthens the communities where they live.

## **Transition Division**

### Transition Assistance Program (TAP)

OTED administers TAP supporting over 250 thousand<sup>13</sup> Service members who transition from the military to civilian life annually, serving as the gateway to VA. Ten dedicated OTED employees and one DoD military liaison collaborate with interagency partners including the Department of Defense (DoD), DOL), Department of Homeland Security (DHS), Department of Education, the Small Business Administration (SBA) and the Office of Personnel Management (OPM) to carry out the requirements of the Veterans Opportunity to Work (VOW) to Hire Heroes Act, P.L. 112-56. OTED staff provide policy, curriculum development and programmatic oversight of the TAP contracts. The \$89 million in contracts provide for 321 VA Benefits Advisors who provide benefit briefings to transitioning Service members. They conduct approximately 5,600 full-day VA Benefits and Services classes at 332 installations worldwide. VA Benefits Advisors are permanently positioned at 110 installations and travel to the other locations as needed.

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<sup>13</sup> GAO, Performance Goals Could Strengthen Programs that Help Servicemembers Obtain Civilian Employment, GAO-20-416, July 2020.

VA Benefits Advisors are responsible for delivering the mandatory full-day VA Benefits and Services course to every transitioning Service member. This course is offered in the year long period leading up to separation and up to two-years before separation for retirees. This course includes the ability for transitioning Service members to submit their online registration for VA Healthcare while in the classroom. VA Benefits Advisors support the DoD components of Transition GPS, Military Life Cycle, Capstone events and provide individual assistance to Service members and dependents on all VA benefits and services.

TAP collaborates with interagency partners to carry out TAP requirements mandated in P.L. 112-56, and the Veterans Employment Initiative (VEI) Task Force recommendation to prepare separating, retiring or demobilizing Service members for their transition to Veteran status. TAP was redesigned following the passage of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (2019 NDAA), P.L. 115-232. The law requires Service members who separate, retire or are released from active duty to attend one mandatory full-day training on the benefits and services available from VA.

The Benefits and Services course is designed to give Veterans the best possible start to their post-military lives. This one-day training helps transitioning Service members understand how to navigate VA and the benefits and services available to them after their military careers have ended. TAP provides the skill building, resources, and tools that transitioning Service members need to achieve emotional and physical health and economic stability in civilian life.

OTED and DOL coordinated the employment curriculum course content to ensure that their respective courses are complementary to each other and not redundant.

#### Military Life Cycle (MLC) Modules

OTED has developed expanded training called MLC modules. These MLC modules include on-line learning capabilities through anytime online access to resources:

- Announcements: Real-time communications and links on changes to benefits and new training or support
- Participant Guides: Benefits and services
- Frequently Asked Questions: Repository of the top frequently asked questions and vetted responses
- eLearning Modules and Micro Learning: Self-Paced eLearning (web-based training) modules of VA benefits, services and videos
- Online Resources: Repository of resources and references to guides and listings of websites to support the user

#### Women Health Care Transition Training (WHTT)

VBA has developed and deployed new curriculum within TAP emphasizing women's health care. This new training supplements mandatory TAP briefings and provides approximately 43 thousand female Service members separating annually with in-depth information on gender-specific VA healthcare services. There are three modalities of training: in-person, E-Learning and virtual sessions. This initiative supports the goal of increasing enrollment in VA health care and awareness of specialized care available to women.

### TAP Quality Assurance

OTED conducts independent assessments of VBA's contract support to TAP to ensure quality control of VA Benefits Advisors. The assessments include benefits briefings, MLCs, Capstone and one-on-one events. This ensures staff are providing services and support following the proper instructions established by policies and procedures.

OTED conducts Quality Control and Site Readiness Assessment visits in each of VBA's six national and international regions to ensure services provided to TAP stakeholders are consistent with applicable laws, policies and directives. Six employees conduct an average of 120 CONUS and OCONUS site visits per year. OTED's executive leadership also participates in the site visits to assess the transition program's overall climate and meet with base commanders to ensure objectives are being met.

### Post-Separation TAP Assessment (PSTAP) Outcome Study

OTED instituted the Post-Separation TAP study in 2019 to learn what drives Veteran satisfaction as well as their long-term outcomes across a host of life domains. The PSTAP provides an annual report with the inaugural 2019 report released to the public in June 2020. The next report will be released in June 2021. This five-year study will:

- Identify what is most important to Veterans in determining their satisfaction with TAP
- Determine what actions to take to improve the experience
- Guide training and operational activities to enhance the quality of benefits and services provided to Veterans

The PSTAP study shows:

- Over 80% of Veterans rate TAP courses as very useful, with VA Benefits and Services courses most valuable
- Veterans often struggle with their mental and emotional health during and immediately after their transition
- Veterans are typically employed in full-time, permanent positions
- African American Veteran respondents indicated lower overall life satisfaction when compared to other demographic groups
- Veterans usually adjust well to civilian life and are making progress towards their civilian goals
- The most common post-transition challenge was missing the camaraderie and teamwork of the military

Longitudinal PSTAP data and feedback will be used to improve curriculum and materials. This information will be used to inform changes to programs that target mental health in the VA Solid Start (VASS) program. In addition, specialized curricula for groups like African American Veterans are being developed.

### Network of Support Pilot Program

The 2020 National Defense Authorization Act, P.L. 116-92, includes a provision which requires DoD and the Red Cross to collect from new Service members the names of loved ones they

consider to be in their network of support. By knowing the Veteran's network of support, DoD and Red Cross can help the Veteran by providing information about the benefits and services available to military members to this network. The Department can help prepare and equip military friends and families to better understand military life, notice when a Service member struggles, and ensure they have access to the necessary tools to get assistance or care. OTED is supporting the implementation of this program and is learning new information helping better inform future program decisions.

### **Post Separation Division**

After the transitioning Service member becomes a Veteran, OTED provides several programmatic touchpoints to help new Veterans and their family members navigate what can be a complex enterprise of benefits and services.

#### **Military to Civilian Readiness (M2C Ready)**

The Joint Executive Committee (JEC) approved the transition period as beginning 365 days prior to separation and extending to 365 days post-separation and beyond. M2C Ready leverages Federal agency partnerships, VA benefits and services, VSOs and other existing community resources to provide a holistic approach to ease the stress with transition. M2C Ready identifies gaps or failure points in the transition process and devises the best approach to conduct a warm handoff between stakeholder supporters and Service members.

M2C Ready provides information and support to ease this stress during transition. M2C Ready also conducts a baseline wellness assessment providing information to help target potential stressors. The M2C Ready starts with an individual separation assessment to determine the curriculum and MLC modules best suited to the transitioning Service member's post-separation needs and desires.

#### **Personal Career Planning & Guidance (PCPG)**

Through PCPG, OTED maximizes the annual \$6 million received from Congress to improve the economic well-being of eligible Veterans, transitioning Service members and dependents. This team manages the PCPG services, which offers personalized counseling and support to help guide career paths, ensure the most effective use of benefits, assist Veterans with achieving education and career goals. Six employees orchestrate public and private partnerships to support the total well-being of Service members.

PCPG was thoughtfully developed to improve the existing Chapter 36 program branding and services offered. PCPG provides an opportunity for enhanced program awareness and to increase utilization by those who need it most. Improved branding enhances stakeholder recognition of PCPG and the VBA continuum of products, resources, programs, etc. OTED conducted a human centered design (HCD) study to determine beneficiary needs to improve services. The HCD qualitative research included individual interviews, focus groups, insight meetings and TAP participant observation. Qualitative data speaks to both the complexity and diversity of their experience. HCD identified program strengths, weaknesses, pain points and opportunities to facilitate program inspiration, ideation and uncover points of opportunity for OTED to better serve beneficiaries. HCD research confirmed that beneficiaries want benefits personalized to their needs and available across multiple touchpoints.



PCPG offers tailored career and educational counseling services that include:

- resume support
- education and employment plan
- detailed skills assessment
- personalized action plan to achieve education and career goals
- adjustment counseling to successfully transition to civilian employment
- connection to VA benefits and services
- tele-counseling

The PCPG Program (Chapter 36) will reach over 7,500 beneficiaries providing personalized career and educational counseling. It ensures beneficiaries are career ready, in jobs that are meaningful and forward looking.

### VA Solid Start (VASS)

This initiative is a collaborative effort among VA, DoD and DHS to contact the over 250 thousand newly separated Service members during their first year of transition from the military. The Joint Action Plan's primary goals are to address transition-related challenges, ensure all Veterans are aware of and have access to high-quality mental health services, and help reduce suicide rates among Service member and Veteran populations.

OTED employs 122 employees (102 VA representatives and 20 management and support staff) who call former Service members at three intervals around the 90, 180 and 365-day marks during their first year of transition to civilian life to discuss their transition and any challenges the new Veteran may be facing. These contacts provide touchpoints that increase Veterans' awareness of available benefits and services, including the free VA mental health resources. VASS representatives are trained to recognize signs of crisis and when suspected, immediately connect Veterans with the Veterans Crisis Line. VASS also monitors the number of hand offs to the Veterans Crisis Line.

Service members who received a mental health appointment in their last 365 days of active service are prioritized and called first.

In 2020, OTED reached 54.9% of Veterans in the first 90 days, exceeding our Agency Program Performance (APP) goal of 40%.

VA Solid Start – First 90 Days: Stage 1	Through September 30, 2020
Veterans Assigned	125,743
Veterans Contacted	66,142
Contact Success Rate	53.5%

Table 1. VASS First 90 Day Contact Success Rate

OTED requires support in data and information collection, management, analysis, writing policies and procedures, training plan development, quality assurance (approximately 70 random site visits

per month), administrative support and IT support. GovDelivery supports outreach efforts to reach over 250 thousand Veterans that transition from military service to civilian life each year.

In response to the COVID-19 pandemic, OTED tailored VASS content and scripts to address current employment-related challenges and provide referral options for unemployment benefits. Agents received training to recognize when to utilize the employment-related script based on their conversations with Veterans. In partnership with State Veterans Affairs Offices, VASS representatives are able to refer Veterans to state-specific programs and services.

## **Economic Development Division**

### **Economic Development Initiatives (EDI)**

OTED has instituted two key programs to enhance the Veteran experience beyond separation: The Economic Development Initiatives (EDI) and PCPG (covered above in Post Separation Division). This orchestration of economic development activities is accomplished by 13 employees who plan and execute bi-annual EDI events in economically distressed locations with high Veteran populations defined as Internal Revenue Service (IRS) Qualified Opportunity Zones.

OTED hosts EDI events in coordination with VBA regional offices, state Departments of Veterans Affairs, DOL, regional organizations, non-governmental organizations and industry leaders. These events connect large Veteran populations in economically distressed communities with networking opportunities to improve their economic wellbeing.

EDI events include benefit fairs, town halls, claims clinics, job fairs and workshops. They offer in-person support to sign up for disability compensation benefits, education benefits, offer opportunities to learn about local business and employment prospects.

OTED hosts EDIs twice annually and follow-up visits to the selected geographic region at 6 months, 18 months and 3 years after the event. OTED has connected EDI attendees with over 300 job offers, assisted Veterans to receive over \$260 thousand in benefits, enrolled over 40 beneficiaries into VA Health Care and repaired Veteran homes damaged by seasonal hurricanes. For 2020, COVID caused the EDI events to be held virtually at both Jacksonville, NC and San Antonio, TX. Although local participation of community leaders and Veteran support groups was strong, overall attendance by the Veteran was understandably very low.

### **VA SkillBridge**

OTED uses DoD's SkillBridge program to develop training and employment opportunities. DoD's SkillBridge program offers valuable civilian work experience through training, apprenticeships or internships with more than one thousand organizations during their last 180 days of military service.

OTED and DoD entered into a Memorandum of Understanding in December 2019 to create VA SkillBridge transition skills training programs (10 U.S.C. §1143) to train transitioning Service members for VA jobs in career opportunities such as law enforcement, medical service and claims processing. The Warrior Training Advancement Training Course (WARTAC) is VBA's longest-running SkillBridge program with 187 graduates in 2020. Through the SkillBridge program, VA

gains early access to the extensive experience, skills and leadership qualities that Service members bring to the workforce.

Several new training programs are in development to create employment opportunities for transitioning Service members in other areas of VA. VHA’s Office of Primary Care (OPC) established a pilot program at the VA Palo Alto Health Care System (PAHCS) to train up to four Corpsmen or Medics to become Intermediate Care Technicians (ICTs). The pilot’s success will allow program expansion that could help fill over one thousand ICT opportunities that are currently open on the SkillBridge site.

**Disability Employment Pilot Project**

At the request of Office of Management and Budget (OMB), OTED is developing a pilot program with the goal of providing meaningful empowerment opportunities. OTED is identifying the best approach for designing and evaluating the pilot. This budget includes \$3.6 million for the pilot program, providing rigorous evaluation using randomized control trials for recruitment of participants, performance outcomes and design metrics. The study design will be reviewed by VA’s Institutional Review Board (IRB). Results of the pilot will be published in a final report. OTED will use the pilot findings to scale more solutions to empower disabled Veterans. The time allotted for the pilot program is approximately four years.

**Workload**

<b>OTED Workload and FTE Requirements</b>	<b>2019</b>	<b>2020 Actual</b>	<b>2021 Estimate</b>	<b>2022 Estimate</b>
Direct Labor FTE	15	27	162	162
Attendance at TAP and EII (Economic Investment Initiative) Events*	423,243	318,000	392,000	415,000
Woman’s Health Training	670	737	810	891
Personal Career Planned Guidance (Chapter 36) Cases	6,108	7,500	7,875	8,269
VASS Contacts	-	91,859	122,530	200,000
Economic Investment Initiatives	2,000	500	3,000	4,000

\*TAP and EII event attendance in 2020 decreased due to COVID-19.

OTED anticipates conducting more than five thousand full-day mandatory briefings at more than 332 installations around the world. More than 70% of all VA Benefits and Services global briefings will occur on the same day of the week rather than being distributed evenly across all days of the week as in years past.

Veteran Readiness and Employment (VR&E) counselors will continue to provide Chapter 36 counseling to eligible individuals directly; however, oversight of the contract-counseling program transferred from VR&E to OTED in January 2021. The PCPG program will institute a new strategy to improve OTED’s ability to reach more eligible Service members and Veterans. PCPG will provide support to Veterans for the duration of their eligibility for any VBA education benefit and conduct outreach to student Veterans.

## **Performance Measures**

The 2022 request supports the following performance measures:

### **Transition Assistance Program**

- TAP customer satisfaction
- PSTAP survey

### **VA Solid Start**

- VASS Contact Success Rate

### **PCPG**

- PCPG total applications received
- PCPG total cases receiving counseling
- PCPG average days to complete
- PCPG% counseled (counseled/eligible applicants)

### **Economic Investment Initiatives**

- EII stakeholder and Veteran participation
- VA benefits provided via EII engagements
- Jobs offered via EII engagements
- Number of claims reviewed via EII engagements

## **Highlights**

OTED's 2022 budget request is aligned with the Secretary's priorities of:

- Providing Veterans with the benefits they have earned in a manner that honors their service
- Ensuring we are strong fiscal stewards of the money entrusted to us
- Fostering a culture of collaboration
- Suicide Prevention
- Improving Survivor benefits.

### **Providing Veterans with Earned Benefits**

OTED strives to provide the highest standard of customer service by:

- OTED TAP Customer Satisfaction survey continues to be consistently rated above 95% in overall satisfaction. In 2020, OTED achieved overall satisfaction of 95.7% with over 80 thousand transitioning Service members attending the courses in person. Since the COVID-19 pandemic OTED is providing all TAP courses remotely using DoD's Joint Knowledge Online (JKO) platform with over 99 thousand online attendees in 2020.

- OTED has updated the MLC curriculum to include the following new topics:
  - VA Health Care
  - Disability Compensation
  - Applying for VA Benefits and Services
    - Future modules relevant to the specific health care needs for women, men, Native Americans and members of the LGBTQ+ community are being developed.
- In 2020, OTED held EI events at Puerto Rico, Puget Sound and Jacksonville NC (virtual EII):

EII Measure	Count
<b>Attendance</b>	18,386
<b>Retroactive Benefits</b>	\$262,043
<b>Reviewed Claims</b>	257
<b>Jobs Offered</b>	317

Table 3. EII Benefits Measures.

### **Ensuring Strong Fiscal Stewardship**

OTED has two separate TAP contracts for program execution and oversight. The contracts are structured to prevent a single contractor from performing both the operational and oversight activities. This provides additional quality controls to ensure VA Benefits Advisors are providing TAP services that meet the standards in the contract. In 2021, OTED plans to triple the number of quality assurance site visits. In 2022, OTED will ensure that its quality assurance program conducts site visits at approximately 120 locations. OTED is monitoring customer satisfaction and long-term outcomes by direct feedback from the transitioning Service members and the PSTAP study.

### **Fostering a Culture of Collaboration**

In 2020, OTED implemented a formal partnership between VA and Blue Star Families. This partnership strengthens and improves outcomes and experiences. OTED is developing additional formal partnerships which will support areas such as financial literacy and outreach.

### **Future Plans/Goals for 2021 and 2022**

In 2021, OTED will conduct its second PSTAP cohort survey and invite 2019 cohort participants to the longitudinal survey. In 2020, OTED distributed 140 thousand questionnaires inquiring about Veterans’ military to civilian transition experience. The information collected during the planned assessment will enable OTED to understand and quantify outcomes of Veterans who have attended the TAP briefings. The study allows OTED to gain insights from recently separated Veterans on their understanding of and access to VA benefits and on how effectively TAP prepared them to transition to civilian life. OTED will also develop operational plans for the M2C Ready Pathway during 2021.

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## *Board of Veterans' Appeals*

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### **Part 4**

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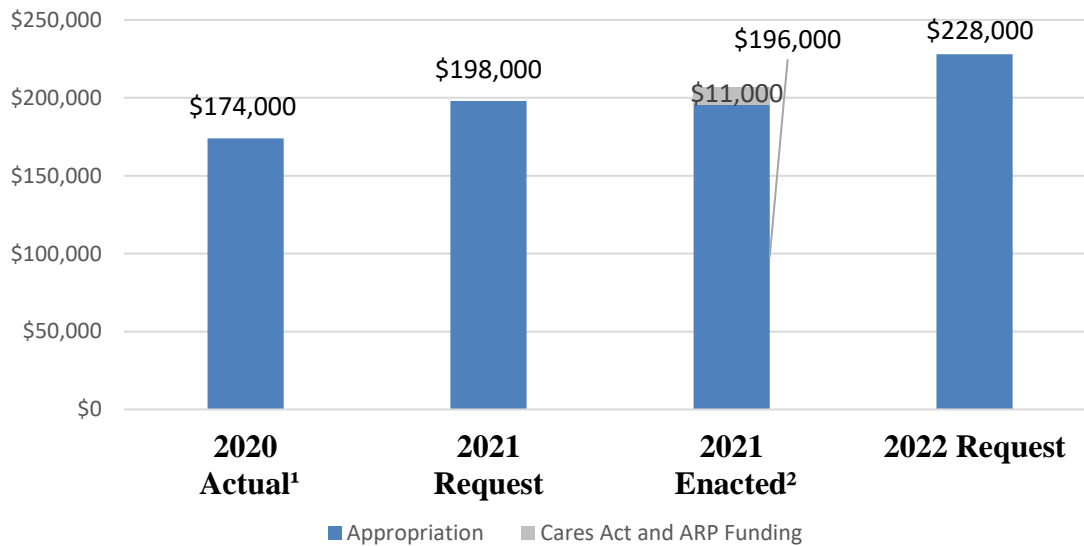
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## Board of Veterans' Appeals

### Budget Authority (\$ in thousands)



### 2022 Appropriation Language

For necessary operating expenses of the Board of Veterans' Appeals (Board), \$228,000,000 of which not to exceed 10 percent shall remain available until September 30, 2023.

### Mission, Vision, and Values

The Board of Veterans' Appeals (Board) is part of the Department of Veterans Affairs (VA or the Department) and is the Secretary's designee to decide appeals from all three Administrations—Veterans Benefits Administration (VBA), Veterans Health Administration (VHA), National Cemetery Administration (NCA), and the Office of General Counsel (OGC). The Board's mission is to conduct hearings and decide appeals properly before the Board in a timely manner. The Board's jurisdiction extends to all questions in a matter involving a decision by the Secretary under a law that affects a provision of benefits (i.e. disability compensation and pension, education, and training) and access to services (i.e. health) by the Secretary to Veterans, their Dependents, or their

<sup>14</sup> The Further Consolidated Appropriations Act, 2020 (Public Law 116-94) rescinded \$8 million in prior year balances. 2020 Current Estimate is net of those rescissions to align with Congressional scoring.

<sup>2</sup> The Board received \$1 million in a CARES Act (P.L. 116-136) funding transfer from VHA and \$10 million from the American Rescue Plan (P.L. 117-02)

Survivors. The Board remains committed to VA's Core Values: Integrity, Commitment, Advocacy, Respect, and Excellence as well as the guiding principles of Customer Service—Trust, Ease, Effectiveness, and Emotion.

## **Summary of Budget Request**

The Board requests \$228,000,000 to support operations in 2022, an increase of \$32,000,000 in appropriated funding over 2021. The majority (90 percent) of the Board's budget is associated with personnel costs totaling \$206,154,000, and supports 1,314 full time equivalent (FTE) in the Board's four main components: Office of the Chairman, Office of Appellate Operations, Office of the Chief Counsel, and Appellate Support. This funding coupled with the American Rescue Plan of 2021, P.L. 117-02, funding supports a total of 1,356 FTE in 2022. The additional funding request will position the Board to hire additional Veterans Law Judges, attorneys, and administrative staff that are vital to achieving mission-critical goals of conducting 50,000 hearings and adjudicating over 111,000 appeals for Veterans.

Of the remaining 10 percent (\$21,846,000), nearly half is associated with the Board's lease at 425 I St NW, Washington, D.C. The Board maintains several contracts and intra-agency (IAA) agreements critical to ensuring delivery of service to Veterans including transcription contracts associated with hearings, research tools, books and periodicals, and multiple interagency agreements for support functions including human resources and labor relations support, security guards, and financial service center support.

This budgetary authority is necessary to ensure that the Board and the Department can meet Veterans' expectations regarding timely, accurate appeals processing. It further supports the business transformation as the Department prioritizes the drawdown of the pending legacy appeals while simultaneously adjudicating appeals under the Veterans Appeals Improvement and Modernization Act of 2017 (AMA), P.L. 115-55.

## **Stakeholders and Partners**

The Board's outreach to external stakeholders including Veterans, Congress, Veterans Service Organizations (VSOs), and the private attorney's accredited to represent Veterans is ongoing. In 2020, the Board hired a VSO/Stakeholder Liaison dedicated exclusively to coordinating with and assisting VSO partners, as well as a Strategic Engagement and Communications Director tasked with enhancing external communications and outreach; reporting Board trust scores; and enhancing surveys to collect pertinent feedback from Veterans. The Strategic Engagement and Communications Director collaborates with the Veterans Experience Office (VEO) to update surveys that are given to Veterans after their hearing, or after they receive a decision. These surveys inform the Board of its trust scores, which allows the Board to quickly adapt and provide more Veteran-centric service.

The Board also continues its significant outreach to VSOs by providing: 1) regular appeals modernization progress update discussions and close collaboration with VSO staff despite the ongoing pandemic challenges; 2) weekly inventory tracking and inventory age information for each VSO; 3) ongoing virtual training activities (e.g. demonstrations on a Virtual Hearing technology); and 4) developing fact sheets and training materials for Veterans and VSOs alike. To

help communicate both AMA activities and modernization progress, the Board also actively participated in interviews and provided regular press releases when significant milestones were met.

The Board is committed to building a diverse workforce through strong relationships with external partners. The Board is an active member of the Department of Defense (DoD) Military Spouse Employment Partnership (MSEP) and a champion for military spouse hiring in the federal government. MSEP is a career program that connects military spouses with affiliated employers who have committed to recruit, hire, promote, and retain military spouses in fulfilling careers. Additionally, on July 29, 2019, the Board, as the VA representative, entered into a memorandum of agreement with the U.S. Chamber of Commerce Foundation's Hiring our Heroes to promote best practices for hiring and retaining military spouses across the Federal government.

The Board furthers its mission by continuing to work closely with internal VA stakeholders to improve training for adjudicators and clinicians to reduce errors in the appeals process. The Board actively participates in working groups and otherwise collaborates with all Agencies of Original Jurisdiction (AOJs), namely VHA, VBA, NCA and the VA Office of General Counsel (OGC), to enhance service to Veterans through innovative process improvements and increased accuracy in appeals adjudication. The Board participates in joint working groups with VBA's Compensation Service aiming to improve medical examinations and opinions obtained for compensation claims. Close collaboration with the Office of Information Technology (OIT) is essential to support wider access and flexibility for Veteran Board hearings, as well as to modernize and streamline appeals technologies. The Office of General Counsel provides legal opinions to the Board on questions of law and represents the Department before the United States Court of Appeals for Veterans Claims (CAVC), which decides appeals on prior Board decisions.

## **Business Transformation**

The Board is also actively pursuing several ongoing business process improvements aimed at streamlining the complex appeals process while improving the appeals experience for Veterans and their families. Such initiatives include: 1) leveraging technology to better modernize appeals processing; 2) maximizing available hearing resources for Veterans; and 3) engaging internal and external stakeholders in streamlining the appeals adjudication process.

**Modernization:** AMA was fully implemented on February 19, 2019 and provides choice and control to Veterans in the claims and appeals process. The Board has been receiving legacy and AMA appeals simultaneously. This ongoing processing of both Legacy and AMA appeals means that the Board manages five dockets:

1. Legacy appeals,
2. Legacy appeals with a hearing request,
3. AMA appeals on direct review,
4. AMA appeals with an evidence submission, and
5. AMA appeals with a hearing request.

Within each of these dockets, appeals may be eligible to be advanced on the docket after having met specific criteria for age (Veteran age 75+), health, or financial hardship.

Appeals under AMA come directly to, and are processed by, the Board as opposed to going to the AOJ first (VBA, VHA, NCA, OGC). The Board is modernizing Caseflow technology, leveraging VHA telehealth technology for virtual tele-hearings, and implementing operational efficiencies such as improvements to the Interactive Decision Template (IDT). Enhancements in 2020 led to the replacement of the nearly 20-year-old template used to draft Board decisions. The IDT automatically retrieves data from case management software and populates important and relevant language into each appellate decision, allowing attorneys and VLJs to focus their attention on legal research and drafting. The IDT helps encourage consistency across Board decisions as well as the use of clear and concise language to ensure Board decisions are understandable to Veterans. The IDT has increased efficiency by automating several steps: 1) creating the final electronic signed decision; 2) retrieving the most current Veteran and representative contact information; 3) generating cover letters and mailing labels; 4) uploading completed copies of the decision to the Veterans Appeals Control and Locator System (VACOLS) and the Veterans Benefits Management System (VBMS); and 5) printing copies for mailing. This automation reduced human error in mailings and the time required to get a signed decision from a VLJ to the Veteran. These innovations significantly contributed to the Board's record-breaking decision output in 2020.

The Board continues to work with OIT to ensure that Caseflow provides enterprise wide functionality required to fully achieve VA's appeals modernization solution, providing world class customer service to Veterans and employees. Caseflow is a suite of web-based applications designed to improve VA's management, tracking, and adjudication of all appeals. It is integrated with the Veterans Benefits Management System (VBMS) to enable data consistency, enhance the speed and accuracy of appeals processing, and avoid duplication of IT components. Caseflow functionality includes: *Caseflow Queue*, an appeals work queue for tracking appeals at the Board; *Caseflow Certification*, a tool to streamline the transfer of legacy appeals from VBA to the Board and permit auto-activation of appeals; Board staff-specific tools, including a document review tool (*Caseflow Reader*) and an improved decision template; *eFolder Express*, a tool that enables a one-click download of the eFolder; *Caseflow Dispatch*, which places Board decisions in a work queue for VBA staff to facilitate work transfer and which provides functionality to address all Board workflow needs associated with AMA appeals; and *Caseflow Hearing Scheduling*, which allows the Board to assign hearing slots to Regional Offices and to assign a Veterans Law Judge (VLJ) to those hearing slots.

While great strides have been made, Caseflow provides minimum functionality to support the enterprise needs of appeals processing. The Board continues to collaborate with OIT to optimize the Caseflow system and is committed to additional system development that captures and tracks all appeals to include VHA and NCA appeals. The Department anticipates future efficiencies such as the retirement or "sunset" of the outdated and unsynchronized legacy system (Veterans Appeals Control and Locator System-VACOLS), which is exclusively used for appeals processing and was created over 40 years ago.

**Hearings:** In March 2020, the Board fully implemented a virtual tele-hearing solution, allowing Veterans to participate in hearings before the Board via voice and video transmission over the Internet using non-VA cell phones and laptops. This technology, designed to increase hearing show rates, also provides greater access and flexibility, especially for rural Veterans and representatives. The Board also utilized existing VHA technology to notify Veterans by text of

upcoming hearings. Text messages aid Veterans by providing a reminder but also encourages rescheduling if the Veteran has a conflict.

Virtual tele-hearing technology has been critical during COVID-19 operations as the Board shifted to a virtual environment. For the health and safety of Veterans, their representatives, and Board employees, in early March 2020 the Board transitioned 99% of its staff to a virtual environment in just two weeks. This required the Board to temporarily suspend all in-person hearings, with virtual tele-hearings being the only available option. To mitigate the impacts of COVID-19 on hearing operations, the Board and OIT executed an extensive plan to expand virtual tele-hearing capacity and other information technology solutions, restructure the Board's hearing operations, increase coordination and outreach with VSO and private bar partners, to increase the capability to schedule more hearings.

The COVID-19 impact to hearing operations will result in multi-year effects for the Board. Prior to COVID-19, the Board was on target to reach its goal of conducting a record 24,300 hearings in 2020 and the number of pending hearing requests was 77,621. Due to the effects of the pandemic, the Board completed 15,669 hearings in 2020 and resulting in 86,849 pending hearing requests.

To mitigate the effects of the pandemic on hearing operations, the Board set robust goals to hold 50,000 hearings in 2021 and 2022, more than double the 2020 goal of 24,300. As the Board continues resolution of legacy appeals, the proportion of AMA hearing requests pending has been increasing. The Board currently receives approximately 2,000 new AMA hearing docket appeals per month. Currently, the percentage of AMA hearing docket appeals pending is over 58% of the total AMA inventory.

These actions are designed to reduce the number of future pending hearing requests by expanding remote access for rural Veterans, broadening Veteran options and accessibility, and improving the overall Veteran experience. Since full implementation of virtual tele-hearings, the number of virtual tele-hearings held increased 71%, from approximately 910 per month in the last quarter of 2020, to 1,560 per month through March of 2021.

***Stakeholder Engagement:*** The Board's outreach to VSOs, including providing regular appeals modernization updates and closely collaborating with the VSO staff, is essential. The Chairman and Board staff continue to promote, educate, train, and inform Veterans, VSOs, and other stakeholders across the country about appeals modernization through speaking engagements and attendance at conferences, training events, and various VA site visits. The Chairman also regularly communicates and shares information with Veterans, advocates, and other stakeholders through social media such as LinkedIn, Facebook, and Twitter.

A priority in 2020 was training, continuing education, and partnership with VSOs and advocates. Extensive outreach to assist Veterans in reviewing their options and submitting their decision review requests aid in a better understanding of their appeals process. Additionally, the Board's VSO Stakeholder Liaison has led nearly 700 VSOs and Veteran Representatives through virtual tele-hearing demonstrations to break down barriers and increase awareness of the benefits of this new technology.

## 2020 Program Successes

- **Appeals Modernization Act (AMA)**

With the AMA fully implemented, Veterans now have full choice and control in how they choose to appeal claims decisions. Through the end of 2020, over 74,000 Veterans have appealed directly to the Board, 27,816 of which filed Direct Docket appeals, 12,206 Evidence Docket, and 34,809 elected for the Hearing docket for a future Hearing with a Veteran Law Judge. Since implementation, of all AMA appeals filed through 2020, 13,635 Direct Docket appeals were completed in an average of 217 days, 3,587 Evidence Docket appeals in an average 271 days, and 1,498 Hearing Docket appeals in an average of 373 days. The Board has since expanded quality review and training programs to include AMA procedures. Improvements in performance monitoring and assessment of the new AMA system versus the legacy appeals process continue to provide greater transparency. The Board intends to utilize its 2022 increased budget authority to improve the processing of new appeals while reducing the pending inventory of legacy appeals. The Board will continue to refine performance metrics to drive evidence-based decision making. Additional information on the new appeals system can be found at <https://www.va.gov/decision-reviews/>.

- **Decisions**

In 2020, the Board issued 102,663 decisions for Veterans and their families, another record year for decision output, marking three consecutive years the Board significantly exceeded goals. The Board not only surpassed its 2020 goal of 91,500 decisions by over 11,000 appeals, but also improved decision output by approximately 8% over 2019's 95,089 record number of decisions. This new record occurred despite transitioning Board staff into a virtual environment, the cessation of overtime dedicated to appeal writing, and the existence of temporary operational constraints for holding in-person hearings at the Board during COVID-19 operations. Swift action to mitigate COVID-19 impacts required budget flexibility to absorb increased costs for cleaning and sanitizing supplies, funding of special authority for a reemployed annuitant and shifting overtime allocation to appellate operations support activities, such as mail related tasks and appeal reviews to activate incoming appeals.

The Board outpacing decision targets has directly resulted in sustainment of high levels of decisions per FTE in 2020, long considered an indicator of overall Board productivity and efficiency. In fiscal years 2015-2019 the Board averaged 81.7 decisions per FTE and completed 2020 with 88.8 decisions per FTE. Due to the effects of COVID-19, as the Board moves into 2021 and 2022, more resources will be directed toward reducing the number of pending hearing requests. Veterans Law Judges will hold more hearings, the Hearing Management

Branch will achieve full employment and the Board will contract for virtual hearing support that will facilitate Veterans and VSOs' understanding and ability to join virtual tele-hearings. The Board will continue to invest in hearing transcription contracts to keep pace with the number of hearings being offered and modernization efforts associated with VEText, virtual tele-hearings, and Caseflow development will continue to add capability and capacity. This shift in resources is anticipated to result in a temporary reduction in decision output.

- **Hearings: Shift from in-person to virtual**

With 47% of Veteran appellants continuing to elect for a hearing with a Veteran Law Judge, combined with the effects of COVID-19 on hearing operations in 2020, the Board is increasing the availability of virtual tele-hearings. By leveraging the same secure connection and data encryption technology used for VA Telehealth, virtual tele-hearings allow Veterans and their representatives to participate in hearings before the Board via voice and video transmission over the internet using non-VA cell phones, tablets, and computers. This technology also provides greater access and flexibility to Veterans in rural locations. Recent improvements to the virtual tele-hearing platform and scheduling software have expanded the Board's Hearing Management Branch's total steady-state hearing scheduling capacity. Consequently, the Board set a robust goal to schedule and hold over 50,000 hearings per year in 2021 and 2022. Additional temporary hires (2-year) of hearing coordinators with ARP funding, coupled with increased VLJ, attorney, and administrative staffing in 2022, enables the Board to deliver on the mission critical stretch goals for hearings and decision production.

- **Quality**

Despite growth and persistent change, the Board in 2020 continued to issue legacy appeal decisions reflecting a high level of quality as evidenced by a legacy appeal accuracy rating of 91.0 percent in 2020. Additionally, as the number of decisions under the AMA continues to fluctuate due to legacy workload production, the Board is using 2021 to baseline quality for AMA appeals.

As the Board continues to transition from reviewing legacy appeals to those appealed under the AMA, Quality Review is focused on developing new training and feedback tools to assist the professional staff in properly and fully implementing this new law, while continuing to work to improve decisions issued under the legacy appeals program. These efforts include publishing a monthly appeal error digest detailing the types of errors seen and suggested remedies, periodic Grand Round sessions, week to week statistical reports detailing quality levels, and publishing a Quality Review SharePoint page which, among other tools, provides the professional staff with specialized AMA resources including suggested language, and answers to frequently asked questions. All of these efforts are undertaken with the goal of demonstrating continuously improving service to Veterans.

- **Hiring**

In tandem with executing within 97% of its hiring plan in 2020, the Board onboarded 227 new staff, 154 of which were onboarded virtually during the COVID-19 pandemic. This hiring initiative resulted in 1,216 full time equivalent employees at the end of 2020, which is the highest number of employees in Board history. Among those hired were the Board's new Deputy Vice Chairman, Budget and HR Directors, VSO Stakeholder Liaison, Strategic Engagement and Communications Director, over 140 attorneys, and over 80 appellate operational and administrative staff. The Board overcame virtual on-boarding and virtual training hurdles due to the COVID-19 pandemic, and successfully on-boarded 145 staff the final two quarters of the year.

As the Board moves into 2021, it is positioned to meet FTE projections without the need to hire at rates higher than regular employee attrition, unlike prior years. As part of the human capital strategy, the Board plans to dedicate approximately 80 percent of personnel to the primary mission of issuing decisions and conducting hearings with the remaining staff in critical mission support functions. The Board continues to provide hiring opportunities for Veterans, military spouses, legal interns, and students utilizing USAJOBS, job posting boards such as Indeed, and our partnership with the DoD Military Spouse Employment Program.

- **Telework**

The Board uses robust telework and remote work programs to support its mission. In response to the COVID-19 pandemic, Board leadership has been actively defining emerging risks and taking mitigating actions to help ensure the Board is able to meet its mission of issuing decisions and conducting hearings during a very uncertain time. For example, the Board was able to shift from 50 percent of its employees telework eligible to 99 percent working off-site within a two-week timeframe with the assistance of VA's Office of Technology (OIT). OIT and the Board's Appellate Support Division ensured that all Board employees are equipped with the essential tools to do their work from home. Additionally, Board leadership is encouraging employees and supervisors to explore other options, including maximizing flex time to permit employees to strike a work life balance during this unprecedented time. Board supervisors were authorized to wave core hour limitations, so staff have flexibility to perform their work outside of normal core hours. These actions are helping Board employees carry out their duties from a safe place while remaining on track to meet the Board's 2021 decision goal.

## **Program Highlights**



As the Secretary's designee to decide appeals from across the Department, the Board conducts hearings and issues decisions for Veterans and their dependents who have appealed their claims for benefits and services from all three administrations (VBA, VHA and NCA) to the Board. The majority of the Board's appellate workload originates from claims initiated and subsequently denied by VBA; a smaller percentage of the Board's workload originates from claims denied by VHA and NCA.

The Board and the Department will continue to process Veterans' legacy appeals (i.e., the appeal process that existed prior to AMA (P.L. 115-55) implementation on February 19, 2019) until final resolution of their appeal. The legacy process is complex and non-linear and is unique from standard appeals processes found in other judicial systems. It has multiple processing steps, most of which occur at the Agency of Original Jurisdiction (VBA, VHA, or NCA), no defined endpoint or timeframe, and involves continuous evidence gathering and re-adjudication that delay the Department in reaching a final decision.

## **Workload and Legacy Appeals Drawdown**

As anticipated, the Board is receiving both legacy and AMA appeals simultaneously until final completion of legacy appeals, resulting in higher inventory levels in the short term until the vast majority of legacy appeals are resolved by the end of calendar year (CY) 2022. The Board finished 2020 with 174,733 total appeals pending adjudication and projects its inventory of appeals to peak at approximately 218,000 at the end of 2022. With projected increases in resource levels in 2022 combined with the resolution of legacy appeals, the Board projects overall inventory levels to decline gradually beginning in 2023.

VA and the Board remain committed to resolving the inventory of legacy appeals as quickly as possible while maintaining timely processing for AMA appeals. Significant progress has been made on resolution of legacy appeals in the Department, reducing the number of pending legacy appeals by more than 322,000, from 470,478 pending at the start of 2018, to 148,122 pending at the end of March 2021.

As the Board continues to prioritize resources to address the pending legacy appeals inventory, the Board has set a goal to adjudicate over 93,600 appeals in 2021 and current projections show that actual production could increase to 96,400 by the end of the year. With support of its 2022 request, the Board projects to decide another 111,500 appeals in 2022, with approximately 85 percent of those decisions occurring in the legacy system. A shift in VBA's defined working inventory level of legacy appeals, from 50,000 to approximately 17,000, resulted in an increase in the number appeals the Board projects to have at the end of CY 2022. The Board projects to have approximately 40,000 appeals pending at the end of CY 2022, a majority of which will be appeals the Board previously remanded to VBA and have been returned to the Board for final resolution. Residual remands beyond CY 2022 are anticipated, which will be completed by the Board after all necessary appeal development and documentation required for a proper decision is provided either by the Veteran, their representative, or the AOJ.

The Board remains committed to the strategic prioritization of legacy appeals resolution, and will dedicate approximately 15-18 percent of its decisions in 2021 and 2022 to AMA appeals, a

majority of which will either be Direct Docket appeals with a goal of sustaining an average days to complete of 365 days, or appeals meeting the criteria (i.e. age, health, financial hardship) to be advanced on the docket. The Board completed 2020 with 52,993 AMA appeals pending and initial projections show this peaking at approximately 174,000 appeals by the end of 2022. The Board will be positioned to devote resources to a larger proportion of AMA decisions beginning in 2023. With AMA providing the option for Veterans to choose multiple appeal lanes at the Board, the 52,993 appeals pending at the end of 2020 were filed by 48,330 Veterans. A higher proportion of AMA appeals will begin to be decided in 2023 after the majority of legacy appeals are resolved.

Table 1 Board of Veterans' Appeals Legacy and AMA Appeals Workload Estimates			
	2020	2021	2022
	Actual	Projections	
Board Full Time Equivalent (Cumulative FTE)	1,176	1,194	1,356
Legacy Appeals Workload			
Start of Year Appeals Pending (from date of certification (Form 8) in field)	98,549	121,740	92,522
Appeals Received (Net Appeals Receipts)	108,652	49,830	46,085
Appeals Decided (-)	85,461	79,048	94,775
End of Year Appeals Pending	121,740	92,522	43,832
Appeals Modernization Act Workload			
Start of Year Appeals Pending	22,089	52,993	111,879
Appeals Received <sup>1</sup>	48,106	76,238	79,020
Appeals Decided (-)	17,202	17,352	16,725
End of Year Appeals Pending	52,993	111,879	174,174
Total Appeals Workload			
Start of Year Appeals Pending	120,638	174,733	204,401
Appeals Received	156,758	126,068	125,105
Appeals Decided (-)	102,663	96,400	111,500
End of Year Appeals Pending	174,733	204,401	218,006

Highlighted in the chart below are additional key reporting metrics:

**Issues Decided:** In 2021, the Board is on pace to decide approximately 272,000 issues, which is lower than 2020's total of 299,205 due to a combination of projected lower appeal decisions and the average number of issues per appeal continuing to decrease in 2021. This measure tracks the number of issues adjudicated on behalf of the Secretary that are presented to the Board for appellate review, which corresponds to the Board's mission of issuing decisions on behalf of the Secretary. An appeal can have multiple issues, which can result in longer and more complex Board appeal decisions.

**Hearings Held:** The Board is undertaking several initiatives to increase the number of hearings held and reduce the number of pending

<sup>1</sup> AMA appeal receipt is measured beginning from point of docketing of VA Form 10182 at the Board.

hearing requests, which include expanded virtual hearing capacity and other information technology solutions, restructuring the Board's hearing operations, and increased coordination with VSO partners. These and several other actions are designed to reduce the number of pending hearing requests by expanding remote access for rural Veterans broadening options and accessibility and improving the overall Veteran experience.

The Board set robust goals to conduct 50,000 hearings in 2021 and 2022. Through March of 2021, the Board has held 9,690 hearings, and while the goal of 50,000 will not likely be met, projections show the Board may still set an annual record and conduct more than 24,000 hearings. With increased VLJs in 2022 and the gradual reopening of in-person hearing venues, the Board is steadfast in its goal to conduct 50,000 hearings.

*Remanded Appeals:* Statutory reform of the VA appeals process was necessary to reduce the continuous re-adjudication of appeals delaying a final decision for Veterans. AMA was intended, in part, to reduce the Board's remand rate by closing the record, and it has succeeded. In 2020, 44.6% of the Board's legacy appeals issues were remanded compared to only 31.3% of AMA appeals issues. At the same time, the Board's grant rate by issue was higher in AMA appeals at approximately 23.5% while the legacy grant rate was 19.3%.

*Processing Time:* The processing time intervals below represent the length of time Veterans await appeals decisions after the appeal is within the Board's jurisdiction. The Board strives to meet Veteran expectations with respect to processing time and will continue to monitor its timeliness. While AMA legislation initially outlined an average days-to-complete goal of 365 days for Direct Docket Decisions, the Board has only recently outlined strategic goals for the Evidence and Hearing Dockets in response to GAO recommendations (Report 18-352). These goals will help shape Veteran choice and expectations, inform Board resource requirements, and define workload requirements for all Board dockets.

Table 2 Board of Veterans' Appeals Other Performance Metrics				
		2020	2021	2022
		Actual	Goals	Goals
Issues Decided		294,161	272,376	303,950
Hearings Held		15,669	50,000	50,000
Remanded Appeals		54,189 (53%)	N/A	N/A
Processing Time: Legacy Appeals From Board Receipt of Certified Appeal to Docketing of Appeal <sup>1</sup>		346 days	N/A	N/A
Processing Time: Legacy Appeals From Board Docketing of Certified Appeal to Issuance of Board Decision		230 days	N/A	N/A
Processing Time: AMA Appeals From Notice of Disagreement to Issuance of Board Decision	Direct Docket	225 days	365 days	365 days
	Evidence Docket:	277 days	N/A	550 days
	Hearing Docket:	377 days	N/A	730 days

<sup>1</sup> This figure includes original appeals only.

*Board of Veterans' Appeals  
Summary of Employment and Obligations  
(dollars in thousands)*

	2021				
	2020	Budget	Current	2022	Increase (+)
	Actuals	Request	Estimate	Request	Decrease (-)
<b>Average Employment:</b>	1,157	1,161	1,194 <sup>16</sup>	1,356 <sup>17</sup>	+162
<b>Obligations:</b>					
Personnel Services	\$172,936	\$177,104	\$183,758	\$210,186	+26,428
Travel	164	433	80	222	+142
Transportation of Things	10	10	15	10	-5
Rents, Communications & Utilities	5,639	11,016	9,854	10,869	+1,015
Printing & Reproduction	40	41	10	10	+0
Other Services	7,388	8,788	9,178	11,495	+2,317
Supplies & Materials	263	406	336	424	+88
Equipment	55	152	133	125	-8
Insurance & Indemnities	28	50	150	50	-100
<b>Total Obligation<sup>18</sup></b>	<b>\$186,525</b>	<b>\$198,000</b>	<b>\$203,513</b>	<b>\$233,392</b>	<b>+29,879</b>
<i>SOY Unobligated Balance GOE (-)</i>	<i>(17,475)</i>	<i>0</i>	<i>(4,950)</i>	<i>0</i>	<i>4,950</i>
<i>SOY Unobligated Balance CARES (-)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>SOY Unobligated Balance ARP (-)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(8,437)</i>	<i>(8,437)</i>
<i>EOY Unobligated Balance GOE (+)</i>	<i>4,950</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>EOY Unobligated Balance CARES (+)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>EOY Unobligated Balance ARP (+)</i>	<i>0</i>	<i>0</i>	<i>8,437</i>	<i>3,045</i>	<i>(5,392)</i>
<b>Budget Authority</b>	<b>\$182,000</b>	<b>\$198,000</b>	<b>\$207,000</b>	<b>\$228,000</b>	<b>+21,000</b>
<i>PL 116-94 Rescission<sup>19</sup></i>	<i>(8,000)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Transfer from VHA (CARES Funding)<sup>20</sup></i>	<i>0</i>	<i>0</i>	<i>(1,000)</i>	<i>0</i>	<i>1,000</i>
<i>PL 117-02 American Rescue Plan<sup>21</sup></i>	<i>0</i>	<i>0</i>	<i>(10,000)</i>	<i>0</i>	<i>10,000</i>
<b>Appropriation/Request</b>	<b>\$174,000</b>	<b>\$198,000</b>	<b>\$196,000</b>	<b>\$228,000</b>	<b>+32,000</b>

<sup>16</sup> 9 FTE are NTE 2-year positions funded with ARP funding.

<sup>17</sup> 42 FTE are NTE 2-year positions funded with ARP funding.

<sup>18</sup> Totals may not add due to rounding.

<sup>19</sup> The Further Consolidated Appropriations Act, 2020 (Public Law 116-94) rescinded 8 million in prior year unobligated balances. 2020 estimate is net of those rescissions to align with Congressional scoring.

<sup>20</sup> \$1M transfer from VHA (CARES Act funding) for COVID related costs.

<sup>21</sup> \$10M PL ARP funds. Mandatory 2021-2023 funds.

In 2021, the Board received a \$1.0 million transfer from VHA in CARES Act funding for COVID related costs and \$10.0 million in mandatory funds through the ARP. These funds provide relief to the Board to respond to the ongoing operations effects of the pandemic. This funding directly impacts and improves scheduling of hearings and supports both short- and long-term efforts to improve mail processing and intake. Through judicious use of 2-year temporary hires, reimbursable detail agreements with VBA, overtime, and investments in artificial technology, the Board will decrease the number of hearings pending and appeals pending intake. These actions result in appeals moving through to decisions ultimately resolving Veterans' appeals and in many instances allowing Veterans to begin receiving the compensation they have earned and deserve. The Board recognizes its responsibility to use these resources fully during the allowable period of availability and in accordance with the law and looks forward to sharing the results through timely and recurring reporting.

The 2022 budget request reflects an increase of \$32.0 million (16.3 percent) in appropriations over 2021, however total budget authority increases \$21.0 million due to the receipt of ARP and CARES Act funding in 2021. In 2022, appropriations of \$228.0 million coupled with \$5.4 million in ARP obligations, supports \$233.4 million in total obligations. The Board anticipates carrying over ARP funding of \$3.0 million into 2023 associated with the salaries of the 2-year temps hired in 2021. Of the \$233.4 million in total obligations in 2022, personnel services accounts for nearly 90%, supporting FTE of 1,356. The Board's cumulative FTE will increase by 162 between 2021 and 2022 providing an additional 35 Veterans Law Judges and nearly 100 attorneys to position the Board to increase appeals decisions and reduce the pending hearing inventory. Personnel services dollars in 2022 also supports a 2.7% pay raise effective January 2022; personnel benefits percentage increases such as FERS agency contribution rising from 17.3% in 2021 to 18.4% in 2022; and a contingent of Board attorneys that are on career ladders with annual grade increases.

In 2022, \$5.4 million in ARP funds will also be obligated to support 42 NTE 2-year employees to assist in intake, hearing management, and mail processing. The funds will also be used for targeted overtime and a new artificial intelligence (AI) contract to automate the intake and dispatch processes. Through AI, the time to intake appeals will be minimized, allowing appeals to be ready for distribution to attorneys for review, research, and deliberation sooner. The remaining \$3.0 million of ARP funds unobligated as of the end of 2022 is associated with the salaries of the 2-year temporary hires made in 2021.

In non-pay, the Board projects an increase of \$3.4 million, associated with rent increases (\$1.0 million) and other services (\$2.3 million) specifically IAAs for Department services. However, in response to the pandemic and increased telework/remote workforce posture, the Board is considering reducing its footprint. Rent negotiations continue as the Board looks to return unused space and negotiates with its partners including GSA and the Union. Any future savings realized through these ongoing deliberations will be reallocated to further improve both Veterans' Experience and Employee Engagement.

<b>Net Change</b>	
<b>Board of Veterans' Appeals</b>	
<b>2022 Summary of Resource Requirements</b>	
<b>(dollars in thousands)</b>	
<b>2021 President's Budget</b>	<b>\$196,000</b>
SOY Unobligated Balance	\$4,950
EOY Unobligated Balance <sup>1</sup>	(\$8,437)
CARES Act Transfer from VHA	\$1,000
American Recovery Plan (ARP) Funds	\$10,000
<b>Adjusted 2021 Budget Estimate</b>	<b>\$203,513</b>
<b>2022 Current Services Adjustments:</b>	
Pay and Benefits for Additional FTE	\$21,058
Pay Raise Increase (2.7%)	\$3,708
Benefits Increases (1.5%)	\$1,662
Non-Pay Increases	\$3,451
<b>Subtotal</b>	<b>\$29,879</b>
<b>2022 SOY Unobligated Balance (from 2021)<sup>1</sup></b>	<b>(\$8,437)</b>
<b>2022 EOY Unobligated Balance<sup>1</sup></b>	<b>\$3,045</b>
<b>2022 Total Budget Authority Request</b>	<b>\$228,000</b>

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<sup>1</sup>All EOY Unobligated balances are ARP Funds

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Increase (+)</b>
<b># of FTE</b>	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>	<b>Decrease (-)</b>
EX	1	1	1	0
SES	7	8	8	0
SL	0	0	0	0
AL	102	103	138	+35
GS -15	27	27	27	0
GS -14	294	431	443	+12
GS -13	296	192	208	+16
GS -12	176	178	186	+8
GS -11	166	168	233	+65
<i>GS -11 NTE<sup>1</sup></i>	0	6	38	+32
GS -10	0	0	0	0
GS -9	51	48	42	-6
<i>GS -9 NTE<sup>1</sup></i>	0	2	3	+1
GS -8	5	4	4	0
GS -7	17	15	14	-1
<i>GS -7 NTE<sup>1</sup></i>	0	1	1	0
GS -6	7	3	3	0
GS -5	0	0	0	0
GS -4	8	7	7	0
GS -3	0	0	0	0
GS -2	0	0	0	0
GS -1	0	0	0	0
<b>Total Number of FTE</b>	<b>1,157</b>	<b>1,194</b>	<b>1,356</b>	<b>+162</b>

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<sup>1</sup> 2-year NTE positions funded through ARP funds





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## *General Administration*

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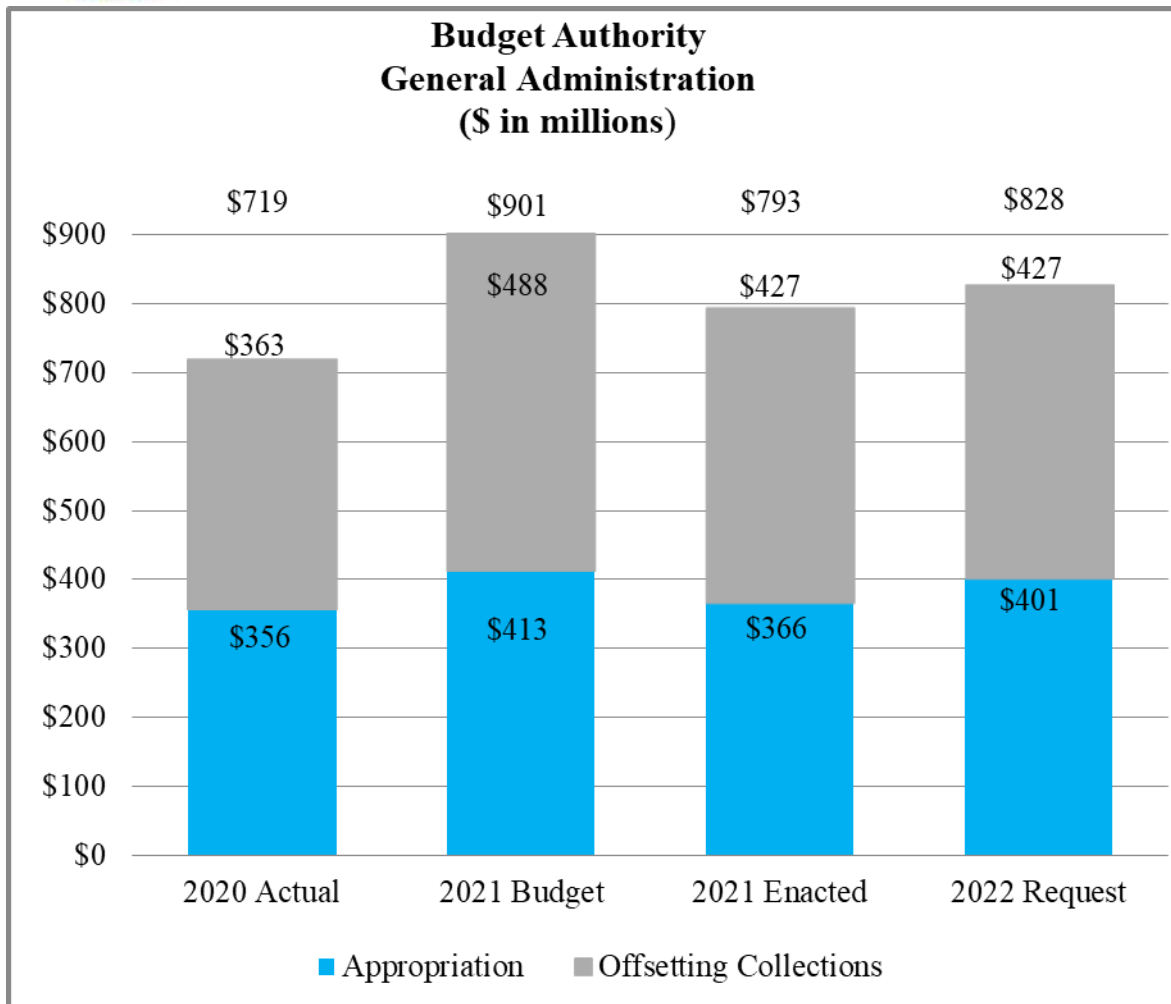
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## *Departmental General Administration*



2021 enacted excludes \$6 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L.116-136)

### **Appropriation Language**

#### ***General Administration***

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-wide capital planning, management and policy activities, uniforms, or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, [\$365,911,000] \$401,200,000 of which not to exceed 10 percent shall remain available until September 30, [2022]

2023: Provided, That funds provided under this heading may be transferred to “General Operating Expenses, Veterans Benefits Administration”.

## **Program Description**

The General Administration account provides funding for the Office of the Secretary (OSVA), six Assistant Secretaries and three VA-level staff offices, all of which report directly to the Deputy Secretary.

The Office of General Counsel (OGC) serves as the Department’s legal advisor and ensures that the Department faithfully executes all laws, regulations, and policies that the Secretary is responsible to administer.

The Assistant Secretary for Management provides executive leadership for the Department’s budget, long range investment planning, financial management, business oversight, and capital asset management. Offices that report directly to the Assistant Secretary include: Office of Asset Enterprise Management, Office of Budget, Office of Finance, Office Business Oversight, Office of Financial Management Business Transformation, and Office of Revolving Funds.

The Assistant Secretary for Human Resources & Administration (HR&A)/Operations, Security, and Preparedness (OSP) leads the development and implementation of human capital management strategies, policies, and capabilities that result in accountable, skilled and engaged workforce that provides excellent customer service to Veterans and their families. The OSP side of the organization promotes VA continuity of operations in the event of an emergency ensuring minimal disruption of services to Veterans and their families. OSP leads the Department’s law enforcement efforts and oversees the protection of its infrastructure. OSP also evaluates preparedness and develops training programs and exercises to enhance VA readiness in the event of an emergency as a Federal partner.

The Assistant Secretary for Enterprise Integration (OEI) leads enterprise transformation and continuous improvement of Veterans’ and employee experience through effective integration of people, processes, technology, innovations, and maturing organizational management capabilities. OEI supports the Secretary, Deputy Secretary, and Under Secretaries in the areas of strategic planning; policy management and analysis; business integration; transformation and innovation; program management; performance management; data analytics, and data governance.

The Assistant Secretary for Public and Intergovernmental Affairs (OPIA) builds and maintains public confidence in the VA by positively enforcing its commitment and readiness to serve America’s Veterans of all generations.

The Assistant Secretary for Congressional and Legislative Affairs (OCLA) executes the Department’s congressional affairs program and has overall responsibility for the plans, policies, goals, and direction of the Department’s legislative agenda and governmental affairs.

The Office of Acquisition, Logistics and Construction (OALC) oversees and manages the resources, services and projects in the VA's capital facilities portfolio and directs the Department's acquisition and logistics activities.

The Veterans Experience Office (VEO) brings industry best practices to government to transform VA into a premiere customer service organization for Veterans, their families, caregivers, and survivors. VEO takes an enterprise-wide approach to improving customer experience through design and deployment of service delivery improvements in partnership with the Administrations and Staff Offices based on the voice of Veterans.

The Office of Accountability and Whistleblower Protection (OAWP) was first established through Executive Order 13793 and codified with the enactment of the VA Accountability and Whistleblower Protection Act of 2017 (Public Law 115-41). This office is responsible for advising the Secretary on all matters related to accountability within VA. To improve accountability, the office investigates allegations of senior leader misconduct and poor performance and allegations of whistle blower retaliation; tracks and confirms the implementation of recommendation from audits and investigations; and identifies trends to proactively address concerns.

**Departmental General Administration**  
**Budgetary Resources**

(\$ thousands)

Resource	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budget Resources</b>				
Unobligated balance brought forward, Oct. 1	\$10,169	\$0	\$7,250	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	12,000	-
Appropriation	355,911	413,000	365,911	401,200
Total Rescission			-12,000	
Net Appropriation	355,911	413,000	353,911	401,200
Offsetting Collections	363,352	487,994	427,055	427,159
<b>Total, Budgetary Resources</b>	<b>\$729,432</b>	<b>\$900,994</b>	<b>\$800,216</b>	<b>\$828,359</b>
<b>Obligations</b>	<b>\$708,392</b>	<b>\$900,994</b>	<b>\$800,216</b>	<b>\$828,359</b>
<b>Year End Balances</b>	<b>\$21,040</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Departmental General Administration**  
**Budgetary Resources - CARES Act**

(\$ thousands)

Resource	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budget Resources</b>				
Unobligated balance brought forward, Oct. 1	-	-	\$4,340	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	6,000	-	-	-
Total Rescission	-	-	-	-
Net Appropriation	6,000	-	-	-
Offsetting Collections	-	-	-	-
<b>Total, Budgetary Resources</b>	<b>\$6,000</b>	<b>-</b>	<b>\$4,340</b>	<b>-</b>
<b>Obligations</b>	<b>\$1,660</b>	<b>-</b>	<b>\$4,340</b>	<b>-</b>
<b>Year End Balances</b>	<b>\$4,340</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Departmental General Administration**  
**Obligations by Office**

(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of the Secretary	\$16,732	\$17,059	\$16,962	\$16,265
General Counsel	109,522	121,187	117,000	125,510
Management	58,070	71,054	65,333	73,727
Human Resources & Administration/ Operations, Security & Preparedness	93,308	110,744	97,392	103,646
Enterprise Integration	27,577	30,081	28,652	33,636
Public & Intergovernmental Affairs	15,927	15,931	16,300	14,435
Congressional & Legislative Affairs	9,190	8,966	8,802	7,480
Acquisition, Logistics & Construction	-	-	-	-
Veterans Experience	-	11,556	-	-
Accountability & Whistleblower Protection	14,714	26,422	22,720	26,502
<b>Subtotal, Direct Obligations</b>	<b>\$345,040</b>	<b>\$413,000</b>	<b>\$373,161</b>	<b>\$401,200</b>
<b>Offsetting Collections</b>				
Office of the Secretary	\$5,132	\$6,105	\$6,100	\$6,609
General Counsel	20,260	23,541	23,453	24,318
Management	791	728	735	728
Human Resources & Administration/ Operations, Security & Preparedness	153,053	207,342	192,738	136,956
Enterprise Integration	5,412	54,850	2,529	4,000
Public & Intergovernmental Affairs	15,222	7,389	17,156	16,402
Congressional & Legislative Affairs	-	-	-	-
Acquisition, Logistics & Construction	83,205	115,851	91,186	138,647
Veterans Experience	80,276	72,188	93,158	99,499
Accountability & Whistleblower Protection	-	-	-	-
<b>Subtotal, Offsetting Collection</b>	<b>\$363,352</b>	<b>\$487,994</b>	<b>\$427,055</b>	<b>\$427,159</b>
<b>Total, Obligations</b>	<b>\$708,392</b>	<b>\$900,994</b>	<b>\$800,216</b>	<b>\$828,359</b>

**Departmental General Administration**  
**Obligations by Office - CARES Act**  
(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of the Secretary				
General Counsel				
Management			1,965	
Human Resources & Administration/ Operations, Security & Preparedness	1,660		2,375	
Enterprise Integration				
Public & Intergovernmental Affairs				
Congressional & Legislative Affairs				
Acquisition, Logistics & Construction				
Veterans Experience				
Accountability & Whistleblower Protection				
<b>Total, Obligations</b>	<b>\$1,660</b>	<b>\$0</b>	<b>\$4,340</b>	<b>\$0</b>



**Departmental General Administration**  
**Appropriations by Office**  
(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
Office of the Secretary	\$14,715	\$17,059	\$15,500	\$16,265
General Counsel	112,209	121,187	117,000	125,510
Management	63,992	71,054	64,407	73,726
Human Resources & Administration/ Operations, Security & Preparedness	95,850	110,744	97,132	103,646
Enterprise Integration	28,416	30,081	28,652	33,636
Public & Intergovernmental Affairs	12,663	15,931	13,500	14,435
Congressional & Legislative Affairs	5,900	8,966	7,000	7,480
Acquisition, Logistics & Construction	-	-	-	-
Veterans Experience	-	11,556	-	-
Accountability & Whistleblower Protection	22,166	26,422	22,720	26,502
<b>Total Appropriations</b>	<b>\$355,911</b>	<b>\$413,000</b>	<b>\$365,911</b>	<b>\$401,200</b>
Total Rescission			-12,000	
<b>Net Appropriations</b>	<b>\$355,911</b>	<b>\$413,000</b>	<b>\$353,911</b>	<b>\$401,200</b>

**Departmental General Administration**  
**Appropriations by Office -CARES Act**  
(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
Office of the Secretary				
General Counsel				
Management	1,965			
Human Resources & Administration/ Operations, Security & Preparedness	4,035			
Enterprise Integration				
Public & Intergovernmental Affairs				
Congressional & Legislative Affairs				
Acquisition, Logistics & Construction				
Veterans Experience				
Accountability & Whistleblower Protection				
<b>Total Appropriations</b>	<b>\$6,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Departmental General Administration**  
**FTE by Office**

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct FTE</b>				
Office of the Secretary	96	89	88	80
General Counsel	635	752	675	717
Management	234	312	267	316
Human Resources & Administration/ Operations, Security & Preparedness	335	411	338	346
Enterprise Integration	91	110	91	106
Public & Intergovernmental Affairs	83	95	84	67
Congressional & Legislative Affairs	47	55	49	40
Acquisition, Logistics & Construction	-	-	-	-
Veterans Experience	-	69	-	-
Accountability & Whistleblower Protection	79	125	108	135
<b>Subtotal, Direct Funded FTEs</b>	<b>1,600</b>	<b>2,018</b>	<b>1,700</b>	<b>1,807</b>
<b>Offsetting Collections</b>				
Office of the Secretary	26	36	31	36
General Counsel	130	146	146	149
Management	4	4	4	4
Human Resources & Administration/ Operations, Security & Preparedness	348	465	428	483
Enterprise Integration	7	12	3	-
Public & Intergovernmental Affairs	-	-	-	-
Congressional & Legislative Affairs	-	-	-	-
Acquisition, Logistics & Construction	369	568	407	571
Veterans Experience	128	154	181	291
Accountability & Whistleblower Protection	-	-	-	-
<b>Subtotal, Offsetting Collection FTE</b>	<b>1,012</b>	<b>1,385</b>	<b>1,200</b>	<b>1,534</b>
<b>Total, FTE</b>	<b>2,612</b>	<b>3,403</b>	<b>2,900</b>	<b>3,341</b>

Note: Total FTE include carryover FTE

## Summary of Budget Request

In 2022, VA is requesting \$401 million and 3,341 FTE for the General Administration account. This FTE request includes 1,807 direct funded FTE and 1,534 reimbursable FTE. These funds will provide leadership, program management, budgetary oversight, accountability, and process improvements throughout the Department.

Highlights of the General Administration staff office requests for 2022 include:

- \$16.3 million in budget authority to the Office of the Secretary to provide executive direction for all VA programs to transform VA into a premiere customer experience organization that delivers care and benefits to Veterans. The request also includes reimbursable funds to support 36 FTE in the Office of Employment Discrimination Complaint Adjudication that report directly to the Secretary.
- \$125.5 million in budget authority and 866 total FTE for the Office of General Counsel. The request includes \$8.5 million to support OGC's continuing efforts to address an expanding legal workload, including an increasing number of cases before the United States Court of Appeals for Veterans Claims. It also provides funding to address day-to-day preventative law practice as well as regulation staff.
- \$73.7 million in budget authority and 320 total FTE for the Office of Management. The budget request includes \$9.5 million for program management and implementation of the Department's new financial management system, *iFAMS*, as well as resources for financial and budgetary management, business oversight, and capital asset management.
- \$103.6 million in budget authority and 829 total FTE for the Office of Human Resources and Administration/Operations, Security and Preparedness. The request includes \$3 million for rent increases.
- \$33.6 million in budget authority and 106 total FTE for the Office of Enterprise Integration. The request includes \$3.6 million for several initiatives, including implementation of the Paperwork Reduction Act and Evidence-Based Policymaking Act.
- \$14.4 million in budget authority and 67 total FTE for the Office of Public and Intergovernmental Affairs. Funds will provide for outreach and effective communication with Veterans and the public and local governments by positively enforcing its commitment and readiness to serve America's Veterans of all generations.
- \$7.5 million in budget authority and 40 FTE for the Office of Congressional and Legislative Affairs (OCLA). The funding will support: the Department's congressional affairs program, legislative agenda, and governmental affairs; and efforts to form and improve relationships and communications with Washington, DC based associations representing state and local governments and with elected officials.

- \$138.6 million in reimbursable authority to support 571 FTE for the Office of Acquisition, Logistics, and Construction (OALC). Funding will be provided from VA's Major Construction appropriation and will support planning, designing, constructing, and acquiring facilities and real property, and setting design and construction standards.
- \$99.5 million in reimbursable authority and 291 in reimbursable FTE for the Veterans Experience Office (VEO). VEO has been designated as Lead Agency Partner for the President's Management Agenda Cross Agency Priority Goal on Improving Customer Experience with Federal Services.
- \$26.5 million in budget authority to support 135 FTE for the operation of the Office of Accountability and the Whistleblower Protection (OAWP). The office will continue to implement the oversight and compliance requirements within the VA Accountability and Whistleblower Protection Act of 2017.

<b>Net Change</b>	
<b>General Administration</b>	
<b>2022 Summary of Resources Requirements</b>	
(\$ in thousands)	
<b>2021 Enacted Budget</b>	<b>\$365,911</b>
<b>2022 Current Service Adjustments</b>	
Payraise	\$8,002
<b>Initiatives/Programmatic Changes</b>	
Personnel for legal representation before U.S. Court of Appeals for Veterans Claims; Preventive Law workloads including legal reviews and advice; and Regulation Staff (OGC)	\$7,000
FTE and contractual Support for FMBT implementation (OM)	\$6,000
Support the implementation of Paperwork Reduction Act and Evidence Based Policymaking Act of 2018 (OEI)	\$3,600
Personnel to implement oversight and compliance requirements of the Accountability and Whistleblower Protection Act by conducting timely investigations (OAWP)	\$3,100
Rent increases (HRA)	\$3,000
Resources for financial and management expertise including actuary studies (OM)	\$1,587
Other contractual requirements and administration support (HRA/OSP and OGC)	\$1,400
Travel and Training (OSVA, OCLA and OPIA)	\$900
Furniture (OGC)	\$700
<b>Subtotal</b>	<b>\$27,287</b>
<b>2022 Request</b>	<b>\$401,200</b>

<b>Employment Summary - FTE by Grade</b>				
General Administration Grade	2020 Actual	2021 Current	2022 Request	Increase (+) Decrease (-)
SES	110	122	140	18
GS-15	308	342	394	52
GS-14	977	1,085	1,250	165
GS-13	570	633	729	96
GS-12	254	282	325	43
GS-11	171	191	219	28
GS-10	2	2	3	1
GS-9	75	83	96	13
GS-8	20	22	26	4
GS-7	88	97	112	15
GS-6	13	14	17	3
GS-5	8	9	10	1
GS-4	10	11	13	2
GS-3	4	5	5	0
GS-2	1	1	1	0
GS-1	1	1	1	0
<b>Total Number of FTE</b>	<b>2,612</b>	<b>2,900</b>	<b>3,341</b>	<b>441</b>

<b>Analysis of FTE Distribution - Headquarters/Field</b>		
General Administration Grade	2020 HQ - Actual	2020 Field - Actual
SES	56	54
GS-15	156	152
GS-14	496	481
GS-13	289	281
GS-12	129	125
GS-11	87	84
GS-10	1	1
GS-9	38	37
GS-8	10	10
GS-7	45	43
GS-6	7	6
GS-5	4	4
GS-4	5	5
GS-3	2	2
GS-2	1	0
GS-1	1	0
<b>Total Number of FTE</b>	<b>1,326</b>	<b>1,286</b>






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## *Office of the Secretary*

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### **Mission Statement**

The Office of the Secretary provides executive leadership and strategic direction for all VA programs, including VA's efforts to transform the Department into a continuously improving world-class organization, ensuring that the Department cares for Veterans over a lifetime, from the day the oath is taken until the day they are laid to rest.

### **Office of the Secretary of the VA Budgetary Resources** ( \$ thousands)

	<b>2020 Actual</b>	<b>2021 Request</b>	<b>2021 Enacted</b>	<b>2022 Request</b>
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$3,066	\$0	\$1,462	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	14,715	17,059	15,500	16,265
Offsetting Collections	5,132	6,105	6,100	6,609
<b>Total, Budgetary Resources</b>	<b>\$22,913</b>	<b>\$23,164</b>	<b>\$23,062</b>	<b>\$22,874</b>
<b>Total Obligations</b>	<b>21,864</b>	<b>23,164</b>	<b>23,062</b>	<b>22,874</b>
<b>Year End Balances</b>	<b>\$1,049</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Summary of Budget Request (\$ thousands)

Office	2020 <sup>1/</sup> Actual	2021 Request	2021 <sup>2/</sup> Enacted	2022 Request
<b>Direct</b>				
Immediate Office of the Secretary	\$13,754	\$13,034	\$13,305	\$12,789
Center for Minority Veterans	1,468	2,000	1,816	1,972
Center for Women Veterans	1,079	1,500	1,363	1,504
Office of Survivors Assistance <sup>3</sup>	431	525	478	-
<b>Subtotal, Direct Obligations</b>	<b>\$16,732</b>	<b>\$17,059</b>	<b>\$16,962</b>	<b>\$16,265</b>
<b>Offsetting Collections</b>				
Office of Employment Discrimination Complaint Adjudication	\$5,132	\$6,105	\$6,100	\$6,609
<b>Subtotal, Offsetting Collection</b>	<b>\$5,132</b>	<b>\$6,105</b>	<b>\$6,100</b>	<b>\$6,609</b>
<b>Total, Obligations</b>	<b>\$21,864</b>	<b>\$23,164</b>	<b>\$23,062</b>	<b>\$22,874</b>

<sup>1/</sup> In 2020, OSVA received \$3.1 million in GenAd Carryover funding to support on-board FTE.

<sup>2/</sup> In 2021, OSVA received \$1.5 million in GenAd Carryover funding to support on-board FTE.

<sup>3/</sup> In 2021, OSA realigned to Veterans Benefits Administration (VBA).

## Office of the Secretary of the VA Summary of FTE Request

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Immediate Office of the Secretary	79	70	68	63
Center for Minority Veterans	8	9	9	9
Center for Women Veterans	7	8	8	8
Office of Survivors Assistance	2	2	3	-
<b>Subtotal, Direct FTE</b>	<b>96</b>	<b>89</b>	<b>88</b>	<b>80</b>
<b>Offsetting Collections</b>				
Office of Employment Discrimination Complaint Adjudication	26	36	31	36
<b>Subtotal, Offsetting FTE</b>	<b>26</b>	<b>36</b>	<b>31</b>	<b>36</b>
<b>Total, FTE</b>	<b>122</b>	<b>125</b>	<b>119</b>	<b>116</b>

## Program Description

### Office of the Secretary

Provides executive leadership and strategic direction for all VA programs. Its organization includes the Immediate Office of the Secretary, the Special Staff Offices, including the Center for Minority Veterans and the Center for Women Veterans, and Support Offices including the Office of Employment Discrimination Complaint Adjudication.

The VA's **Office of the Secretary** (OSVA) consists of the Office of Support-Mission Operations, the Office of Protocol, the Center for Strategic Partnerships, the Executive Secretariat, and the Advisory Committee Management Office. Additionally, within this component are strategists, advisors, and operations managers who carry out and execute Secretarial priorities including developing strategies for transformation, policies, budgets, organizations, communications, and external relations—in short, providing critical oversight of strategic programs and initiatives, and supporting Department operations.

The **Office of Support-Missions Operations** provides administrative, logistical, budget, and operational support for the Office of the Secretary and its subsidiary offices including executive mission support (i.e. arranging official travel and associated support for the Secretary, Deputy Secretary, Chief of Staff, and others as required; coordinates transportation, security, protocol activities, and equipment). In the areas of administration and logistics support: develops and manages the OSVA budget, manages and maintains OSVA property and expendable supplies. Provides human resources guidance and coordinates with Veterans Affairs Central Office (VACO) Human Resources to provide personnel services.

The **Office of Protocol** provides protocol and executive services to the Office of the Secretary, Office of the Deputy Secretary, and Office of the Chief of Staff. Those services include:

- Directing and organizing special ceremonies and events for VACO that involve the executive leadership.
- Escorting dignitaries visiting the executive leadership.
- Providing and organizing related protocol services including photography and media services for VIP visitors.
- Providing advice and guidance to VACO and field facilities on protocol matters as they relate to visitors, both foreign and domestic, ceremonies, and other special events.

The **Center for Strategic Partnerships** improves Veterans' lives through big, bold, and impactful collaborations. This is accomplished by partnering with organizations in the private and non-profit sectors to advance VA's highest priority initiatives. The Center leverages the best of each participating organization to create unique and impactful new programs. These partnerships support the Veterans community in ways that the VA cannot accomplish alone and are essential to the health and well-being of America's Veterans, their families, caregivers, survivors, and other VA beneficiaries.

The **Executive Secretariat** staff controls and coordinates the preparation, staffing, and dissemination of correspondence directed to the Secretary and Deputy Secretary. The Executive Secretariat manages the assignment of and obtains Secretarial approval on all investigations referred to VA by the Office of Special Counsel. The Executive Secretariat is responsible for Congressional correspondence and all official Freedom of Information Act requests to the Office of the Secretary of VA, as well as, assigning, responding to, or tracking to completion all White House case mail assigned by the Presidential Executive Correspondence office. Finally, the Executive Secretariat creates and implements department-wide correspondence processes, business rules, and VA style guide.

The **Advisory Committee Management Office** (ACMO) coordinates and oversees policy implementation for VA's 27 Federal Advisory Committees. ACMO is responsible for establishing clear goals, standards, and uniform procedures for advisory committee activities, ensuring advisory committee actions comply with the provisions of the Federal Advisory Committee Act. ACMO ensures that advisory committee meetings are open to the public and, as appropriate, announced in the Federal Register.

## **Special Staff Offices**

The **Center for Minority Veterans** (CMV) was established in 1994 by Public Law 103-446. Title 38, United States Code (USC), Section 317 reflects the current responsibilities of the CMV. The Director serves as principal advisor to the Secretary on the adoption and implementation of policies and programs affecting minority Veterans. CMV serves as an advocate for minority Veterans by conducting outreach activities to promote the awareness and use of VA benefits and services.

The Center's activities include:

- Making recommendations to the Secretary, the Under Secretary for Health, the Under Secretary for Benefits, and other Department officials for the establishment or improvement of programs in the Department for which minority Veterans are eligible.
- Promoting the use of benefits authorized by this title by minority Veterans and conducting outreach activities to minority Veterans, in conjunction with outreach activities carried out under chapter 77 of this title [38 USC § 7701 et seq.].
- Consulting with, and providing assistance and information to, officials responsible for administering federal, state, local, and private programs that assist Veterans, to encourage those officials to adopt policies that promote the use of those programs by minority Veterans.
- Advising the Secretary when laws or policies have the effect of discouraging the use of benefits by minority Veterans.
- Conducting and sponsoring appropriate social and demographic research on the needs of minority Veterans and the extent to which programs authorized under Title 38 USC meet the needs of those Veterans, without regard to any law concerning the collection of information from the public.
- Publicizing the results of medical research that are of significance to minority Veterans.
  - The term "minority Veterans" includes individuals who are:
    - Asian American;

- Black/African American;
- Hispanic/Latino;
- Native American (including American Indian, Alaska Native, and Native Hawaiian); or
- Pacific-Islander American.
- Providing support and administrative services to the Advisory Committee on Minority Veterans provided for under section 544 of this title.
- Representing the needs of minority Veterans on the Secretary’s Integrity, Diversity, Equity and Access (IDEA) Task Force, as well as the Department’s Working Group for Executive Order 13985.

The **Center for Women Veterans** (CWV) was established by Public Law 103-446. The Director serves as principal advisor to the Secretary on matters related to policies, legislation, programs, issues, and initiatives affecting women Veterans. CWV serves as an advocate for a cultural transformation (both within VA and in the general public) in recognizing the service and contributions of women Veterans and women in the military, and in raising awareness of the responsibility to treat women Veterans with dignity and respect.

The Center’s activities include:

- Identifying and recommending effective VA policies, practices, programs, and related activities for women Veterans and disseminating information internally and to the public.
- Advising the Secretary when laws or policies have the effect of discouraging the use of benefits by women Veterans.
- To monitor and coordinate VA’s administration of health Care, benefits, services, and programs for Women Veterans.
- Managing the Women Veterans Program—advise and make recommendations to the Secretary, the Under Secretary for Health, the Under Secretary for Benefits, and other Department officials for the establishment or improvement of programs in the Department for which women Veterans are eligible.
- Communicating with women Veterans and their families on VA benefits and services in a proactive and timely manner.
- Educating external organizations on VA’s benefits and services, to improve its advocacy for women Veterans.
- Leading cultural transformation both inside and outside VA to improve safety and equity for women-identified Veterans and raising the responsibility to treat women Veterans with dignity and respect and ensuring equity in access, eligibility, care, and service delivery.
- Collaborating with other federal, state, and local agencies, Veterans Service Organizations (VSOs), and faith-based and community partners to provide information on women Veterans and to encourage adoption of policies and programs that are supportive and inclusive of women-identified Veterans.
- Conducting and sponsoring appropriate research and studies on women Veterans.
- Publicizing the results of medical research that are significant for women Veterans.
- Conducting two comprehensive studies, as required by legislative mandate found under the National Defense Authorization Act for Fiscal Year 2021, P.L. 116-283, and the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, P.L. 116-315.

- Establishing and leading, in consultation with the Attorney General's Office a national task force to develop a comprehensive national program to address intimate partner violence and sexual assault among Veterans. Provide support to the Secretary's Advisory Committee on Women Veterans (ACWV), including coordinating annual briefings and publishing a biennial report outlining recommendations, concerns, and observations on VA's delivery of benefits and services to women Veterans.
- Representing the needs of women Veterans on the IDEA Task Force, the Working Group for Executive Order 13985, and the Federal Women's Program.

## Support Offices

The **Office of Employment Discrimination Complaint Adjudication** (OEDCA) was established by Public Law 105-114, Title I, Section 102. OEDCA is an independent office responsible for issuing final agency decisions and orders on the substantive merits of employment discrimination complaints filed by employees and applicants for employment. Final agency decisions and orders are rendered in a fair and impartial manner and are based on evidence contained in the investigation report and, if applicable, the hearing transcript and exhibits provided by an Equal Employment Opportunity Commission (EEOC) appointed administrative judge. OEDCA is also responsible for determining equitable relief and issuing final agency decisions on a complainant's entitlement to compensatory damages, attorney's fees, and costs where the complainant is a prevailing party.

Funding for OEDCA is provided through statutory authority to collect reimbursements from the customers it serves.

The **Office of Small and Disadvantaged Business Utilization** (OSDBU) was established by Public Law 95-507, Section 221(k). OSDBU serves as the Department's advocate for the participation of Service-Disabled Veteran-owned small businesses, Veteran-owned small businesses, small business concerns, small disadvantaged businesses, women-owned small businesses, and historically underutilized businesses in VA contracts and subcontracts. OSDBU works closely with VA program offices and contracting activities to ensure maximum practical opportunity for small businesses in the Department's procurements. The Executive Director serves as the Department's principal liaison to the Small Business Administration (SBA), and in matters relating to the Department's socioeconomic acquisition program, and is a liaison with the Department of Commerce, General Service Administration, and the Office of Federal Procurement Policy.

OSDBU activities include:

- Conducting procurement reviews, training acquisition officials, counseling entrepreneurs, participating at small business expert stakeholder outreach events, serving the stakeholder community, participating in outreach events conducted by VA component organizations, SBA and other Executive Branch agencies, small business trade associations, and other stakeholders, distributing informational materials that describe how to do business with the Department and sharing acquisition information with small businesses and VSOs.

- Negotiating, establishing, and helping to manage the Department-wide procurement goals as well as reporting on the progress toward accomplishing these goals.
- Reviewing the effectiveness of current policy, procedures, and plans for enhancing use of small businesses in future departmental requirements and recommending improvements.
- Verifying the eligibility of Veteran-owned small businesses for participation in the Veterans First contracting program.
- Advertising with Small and Disadvantaged Businesses.

OSDBU reports to the Secretary and Deputy Secretary but its operations are funded through VA's Supply Revolving Fund (see Chapter Part 5-14, titled Acquisition and Material Management: Supply Fund).

## **Budget Highlights**

The 2022 request provides for the following:

- An average employment level of 116 FTE and total obligational authority of \$23 million to support operations of the Office of the Secretary, which includes CMV, CWV, OSA, and OEDCA. This request comprises \$16.3 million in direct appropriations and \$6.6 million in reimbursable authority.
- Direct appropriations of \$16.3 million will support 80 FTE for executive leadership and direction and Department oversight of all of VA's programs.
- \$6.6 million in total reimbursements will support 36 FTE and its operations. Reimbursements are received from VHA, NCA, OIG, VBA and OIT. The budget authority of \$52,000 for OEDCA represents the Staff Office's share of the operational costs of the program.

**Office of the Secretary of the VA**  
**Employment and Obligation Classification**  
(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	122	125	119	116	-3
Field	0	0	0	0	0
<b>Total , FTE</b>	<b>122</b>	<b>125</b>	<b>119</b>	<b>116</b>	<b>-3</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$12,146	\$11,293	\$11,948	\$11,106	-\$842
Personnel Benefits	3,943	3,694	4,102	3,891	-211
Travel	320	1,011	217	393	176
Transportation of Things	-	-	-	-	-
Rents, Comm. & Utilities	-	-	-	-	-
Printing	20	17	5	5	-
Other Services	237	921	606	800	194
Supplies & Materials	58	114	53	41	-12
Equipment	10	9	31	29	-2
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$16,732</b>	<b>\$17,059</b>	<b>\$16,962</b>	<b>\$16,265</b>	<b>-\$697</b>
<b>Offsetting Collections Obligations</b>	<b>5,132</b>	<b>6,105</b>	<b>6,100</b>	<b>6,609</b>	<b>509</b>
<b>Total, Obligations</b>	<b>\$21,864</b>	<b>\$23,164</b>	<b>\$23,062</b>	<b>\$22,874</b>	<b>-\$188</b>

*In 2020, OSVA received \$3.1 million in GenAd Carryover funding to support on-board FTE.  
In 2021, OSVA received \$1.5 million in GenAd Carryover funding to support on-board FTE.*





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## *General Counsel*

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### **Mission Statement**

The Office of General Counsel (OGC) supports the mission and priorities of the Department of Veterans Affairs (VA) and service to our Nation's Veterans by providing sound legal expertise, representation, critical problem-solving skills, and risk-management advice to the Secretary and other senior VA leaders. As the Department's in-house law office, OGC is a full business partner to senior VA leaders, plays a pivotal role in supporting the Secretary's priorities, and ensures the just and faithful execution of the laws, regulations, and policies that the Secretary is responsible for administering.

OGC's clients include the Secretary of Veterans Affairs, Deputy Secretary, Chief of Staff, the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), the National Cemetery Administration (NCA), and all other components of the Department. Secondary stakeholders include Congress, Federal courts, Federal agencies, Veterans Service Organizations, and the Veterans that the Department serves.

### **Summary of Budget Request**

By statute, the General Counsel is the Chief Legal Officer for the Department of Veterans Affairs. All legal support to the Department and all attorneys who represent the Department reside in OGC. In 2022, to fulfill its statutory and regulatory requirements, OGC requests \$125.5 million in direct appropriations for 717 FTE, and \$24.3 million in reimbursable authority to support 149 reimbursable FTE, to provide legal support and representation to the Secretary and the Department.

**Office of General Counsel**  
**Summary of Budget and FTE Request**

(FTE, \$ thousands)

	2020 Actual \$	FTE	2021 Request \$	FTE	2021 Enacted \$	FTE	2022 Request \$	FTE
<b>Direct Budget Authority (BA)</b>								
Office of General Counsel	\$112,209	635	\$121,187	752	\$117,000	675	\$125,510	717
<b>Subtotal, Direct Obligations &amp; FTE</b>	<b>\$112,209</b>	<b>635</b>	<b>\$121,187</b>	<b>752</b>	<b>\$117,000</b>	<b>675</b>	<b>\$125,510</b>	<b>717</b>
<b>Reimbursement</b>								
MSCA	\$ 5,326	49	\$ 6,704	55	\$ 6,463	55	\$ 6,942	58
Credit Reform	\$ 3,529	22	\$ 3,867	24	\$ 3,820	24	\$ 4,015	24
Supply	\$ 10,740	57	\$ 12,444	65	\$ 12,597	65	\$ 12,827	65
Debt Management Center	\$ 242	2	\$ 274	2	\$ 273	2	\$ 284	2
Other Reimbursements <sup>1/</sup>	\$ 423		\$ 251		\$ 299		\$ 250	
<b>Subtotal, Reimbursement &amp; FTE</b>	<b>\$ 20,260</b>	<b>130</b>	<b>\$ 23,541</b>	<b>146</b>	<b>\$ 23,453</b>	<b>146</b>	<b>\$ 24,318</b>	<b>149</b>
<b>Total, Obligations &amp; FTE</b>	<b>\$132,469</b>	<b>765</b>	<b>\$144,727</b>	<b>898</b>	<b>\$140,453</b>	<b>821</b>	<b>\$149,828</b>	<b>866</b>

<sup>1/</sup>Includes funding OGC anticipates for reimbursement of Financial Disclosure Management (FDM) services and use of OGC's Lexis Nexis contract.

**Distribution of Resource Requirements over OGC Areas of Practice**

Practice Areas:	2020 Actual \$	FTE	2021 Enacted \$	FTE	2022 Request \$	FTE
<b>Budget Authority</b>						
Employment Law	\$ 47,008	272	\$ 50,310	290	\$ 53,969	308
CAVC (Appeal of BVA Decisions)	\$ 23,000	133	\$ 24,570	142	\$ 26,357	151
Tort Claim Adjudication	\$ 10,952	64	\$ 11,700	68	\$ 12,551	72
Information & Administrative Law	\$ 5,476	32	\$ 5,850	34	\$ 6,276	36
Contract Law	\$ 5,476	32	\$ 5,850	34	\$ 6,276	36
Health Law	\$ 5,476	32	\$ 5,850	34	\$ 6,276	36
Management & Operational Support	\$ 5,476	32	\$ 5,850	34	\$ 6,276	36
Benefits Law	\$ 3,286	19	\$ 3,510	20	\$ 3,765	22
Ethics	\$ 3,286	19	\$ 3,510	20	\$ 3,765	22
Loan Guaranty	\$ 86	1	\$ -	0	\$ -	0
<b>Reimbursement Authority</b>						
Contract Law	\$ 8,909	58	\$ 10,274	65	\$ 10,683	66
Loan Guaranty	\$ 3,152	20	\$ 3,648	23	\$ 3,783	23
Revenue	\$ 8,009	52	\$ 9,232	58	\$ 9,602	60
Other Reimbursements <sup>1/</sup>	\$ 190		\$299		\$250	
<b>Total Resource Requirements</b>	<b>\$ 129,782</b>	<b>765</b>	<b>\$ 140,453</b>	<b>821</b>	<b>\$ 149,828</b>	<b>866</b>

<sup>1/</sup>Includes funding OGC anticipates for reimbursement of Financial Disclosure Management (FDM) services and use of OGC's Lexis Nexis

## Program Description and Accomplishments

OGC fulfills its mission by delivering nationwide legal services to the Department through offices strategically located throughout the country and at VA Central Office (VACO). This includes nine subject matter specific Law Groups, focusing on key legal areas of practice including health care law, personnel law, information and administrative law, benefits law, revenue law, torts, procurement and real property; five District Chief Counsel Offices; a District Contracting Law National Practice Group; Loan Guaranty National Practice Group; a Court of Appeals for Veterans Claims Litigation Group; and a Government Ethics Specialty Team. These offices provide legal guidance, program support, and litigation assistance and representation to all VA internal clients. OGC offices also manage processes to adjudicate administrative tort claims and accredit Veteran representatives. The DC-based Litigation Group represents the Secretary before the U.S. Court of Appeals for Veterans Claims (CAVC) in contested benefits decisions.

As the second largest federal agency, the breadth of the Department's mission engenders a complex, vast and varied legal landscape, requiring a robust cadre of experienced attorneys and legal professionals able to focus on the Department's specialized legal needs. VA legal demands call on OGC to:

- Provide reviews, guidance, drafting assistance and legal interpretation of laws and regulations to help shape Department policy and regulations, implement Congressional directives, and implement the Secretary's priorities and initiatives, for all facets of the Department including medical care, monetary and burial benefits, government research, technology, purchases, leases, and acquisition, including support to VA priorities and implementation of major initiatives such as the VA MISSION Act of 2018, the Appeals Modernization Act, and VA Electronic Health Record Modernization.
- Provide day-to-day guidance, support, and advice to the largest integrated health care system in the United States, delivering care at 172 VA Medical Centers and 1,275 outpatient sites of care of varying complexity to more than 9 million Veterans. Legal issues arise from the interpretation and application of laws and regulations to the work of VA's more than 322,030 full time health care professionals and support staff. OGC helps Department leaders and employees navigate those legal issues, shape policy, and ensure compliance with applicable laws and regulations.

To meet the Department's legal needs while maximizing efficiencies, OGC is aligned to the following ten "areas of practice."

### Areas of Practice

**Employment Law**— The heavy volume of employment law matters that VA generates was compounded by passage of the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 (VAAWP). This Act increased the number of actions taken by VA, the dedicated attorney time needed per action, and the legal complexity of the process used to discipline or remove underperforming or wrongdoing employees and better protect employees who

bring wrongdoing to light. Multiple challenges to this new law and subsequent court decisions interpreting it have further intensified the level of resources needed by OGC in this area.

Legal support here includes legal representation, legal review, legal operational advice, and legal policy advice in the following product categories:

1. Hearings and settlement of employment litigation matters nation-wide.
2. Expedited review of proposed disciplinary charges and advice to Department management in VACO and across the nation on actions taken under the VAAWP.
3. Employee disciplinary actions appealed to the Merit Systems Protection Board, including expedited removal authority cases.
4. Employee complaints of discrimination, retaliation, or harassment before the Equal Employment Opportunity Commission (EEOC).
5. Title 38 employee actions, including reporting personnel to the National Practitioner Data Bank and State licensing boards, and disciplinary matters before Disciplinary Appeals Boards.
6. Employee whistleblower and Prohibited Personnel Action complaints before the Office of Special Counsel, including stay requests.
7. Labor management issues before the Federal Labor Relations Authority.
8. Technical assistance and policy drafting assistance related to employment law legislation.
9. Employee requests for representation by the Department of Justice (DOJ).
10. Inspector General and criminal investigations.
11. General employment issues (includes Office of Special Counsel investigations, pay and leave policy issues, etc.).
12. Labor-management relations, including arbitrations and contract negotiation advice.

**Representation before the Court of Appeals for Veterans Claims (CAVC)** – OGC represents the Department in all litigation before the CAVC, which provides Veterans or other claimants an impartial judicial forum for review of adverse administrative decisions issued by the Board of Veterans' Appeals (BVA) regarding entitlement to service-connected disability compensation, survivor benefits, or other benefits such as education payments and health care benefits. OGC resource needs in this area continue to increase due, in part, to increased staffing at the BVA producing more decided appeals and a corresponding increase in appeals to the CAVC. The surge of appeals to the CAVC will continue as the BVA focuses on working through its backlog of legacy appeals. Additionally, the CAVC's relatively new authority to hear aggregate, class-action type cases also continue to drive more complex, resource-heavy litigation.

**Contract Law**— OGC serves as VA's contract litigation counsel, representing VA before the Government Accountability Office (GAO), Civilian Board of Contract Appeals (CBCA), and Federal Courts, and providing litigation assistance to DOJ in matters before the Court of Federal Claims (CoFC) on the more than 500 protests and claims filed per year related to VA contracting activities. Legal support includes legal representation, legal review, legal operational advice, and legal policy advice in the following product categories:

1. Litigation against the Department pursuant to contract and solicitations.
2. Procurement (includes construction, supply, and service contracts).
3. Expanded sharing of medical facilities, equipment, and information.

4. Construction, acquisition and disposition of real property (includes leases and land acquisitions by/for VA, and easements on land owned by VA, but does not include real property acquired in the administration of the loan guaranty program, which is covered under Benefits Law above), and energy matters.
5. Enhanced-use leases of real property.
6. Compliance with environmental, historic preservation, and occupational safety laws.

**Tort Claim Adjudication**— OGC manages the VA’s program to investigate and adjudicate actions filed against the Department under the Federal Tort Claims Act (including medical malpractice and non-healthcare claims). Legal support in this area includes:

1. In 2020, OGC processed 2141 medical malpractice claims (1915 original claims; 226 reconsideration claims). In 2021 to mid-year (3/31/2021), OGC processed 893 medical malpractice claims (713 original claims; 180 reconsideration claims) and OGC projects that 2021 medical malpractice cases processed will equal or exceed 2020.
2. In 2020, OGC processed 949 non-medical malpractice (personal injury and property damage) claims (868 original claims; 81 reconsideration claims). In 2021 to mid-year (3/31/2021), OGC processed 318 non-medical malpractice (personal injury and property damage) claims (280 original claims; 38 reconsideration claims) and OGC projects that 2021 non-medical malpractice cases processed will equal or exceed 2020.
3. Support to DOJ in tort claims filed in Federal Court. In 2020, OGC closed 347 medical malpractice tasks for cases in federal court and OGC closed 119 non-medical malpractice tasks for cases in federal court.

**Information and Administrative Law**—legal support includes legal representation, legal review, legal operational advice, and legal policy advice in the following product categories:

1. Disclosure of information (e.g., Congress, Touhy, FOIA, Privacy Act).
2. Electronic discovery of Department records in litigation matters across areas of practice.
3. Federal Advisory Committee Act (FACA).
4. Administrative Procedure Act (APA).
5. Organization/reorganization of VA and its component parts.
6. Authorized use of appropriated funds and other fiscal matters.
7. Federal Records Act.
8. Paperwork Reduction Act.
9. Laws prohibiting discrimination in programs receiving Federal financial assistance (e.g., title 6 of the Civil Rights Act of 1974, title 9 of the Education Act, as amended, and Section 504 of the Rehabilitation Act, as amended).
10. Law enforcement and emergency operations.
11. Operational activities supporting legal services.

**Health Law**—legal support includes legal representation, legal review, legal operational advice, and legal policy advice in the following product categories:

1. Access to care and MISSION Act implementation, including eligibility issues, community care, urgent care, and other non-VA services.

2. Caregiver benefits.
3. Grants and supportive services for homeless veterans and their families.
4. Office of Medical Inspector reports.
5. State Veterans' Homes program.
6. Issues relating to the administration and management of a health care system.
7. Patient safety.
8. Bioethics.
9. Medical Research.
10. Canteen Service operations.
11. Final agency decisions on patent matters.
12. Non-profit research corporations (issues related to incorporation and management).

**Benefits Law**—legal support includes legal representation, legal review, legal operational advice, and legal policy advice in the following product categories:

1. Compensation, Pensions, and Survivors' Benefits.
2. Veterans Readiness and Employment and Education.
3. Burial benefits.
4. National Service Life Insurance and Servicemembers' Group Life Insurance.
5. Appointment and removal of fiduciaries.
6. Attorney fees for claimant representation.
7. Accreditation of claimants' representatives, to include attorneys and claims agents at a rate of 3,500-4,000 per year.

**Ethics**— Manages the VA's government ethics program and provides guidance on government ethics questions from VA's approximately 400,000 employees, on topics such as attendance at meetings, political activities, and outside employment. Legal support includes legal review, legal operational advice, and legal policy advice in the following product categories:

1. Advice related to Government Ethics and Hatch Act questions and issues at a rate of almost 9,000 inquiries per year.
2. Mandatory and recurrent Ethics training.
3. Review of Department Public Financial Disclosures numbering more than 700 per year.
4. Review of Department Confidential Financial Disclosures numbering about 9,000 per year.
5. Management of the Agency Ethics Program and coordination with the Office of Government Ethics.

**Collections**—includes legal review, legal operational advice, and legal policy advice in the following product categories:

1. Collection of debts owed to the United States by liable third parties, insurers, and Veterans.
2. Collection of revenue pursuant to probate or bankruptcy.

**Loan Guaranty**—includes legal review, legal operational advice, and legal policy advice in the following product categories:

1. VBA's Loan Guaranty Program, including protection of the Government's and Veterans' interests in the guaranty of home loans for Veterans.
2. Review of title to the Secretary under foreclosure, Specially Adapted Housing Grants, approvals for use of the Department's Guaranteed Loan program for purchase of a unit in a multi-unit property, and eviction.

### **Recent Accomplishments:**

**COVID-19 Response Support:** During the COVID-19 public health emergency, OGC provided significant legal support that was critical to the successful response to the pandemic. Highlights of OGC's work include:

- Provided technical assistance, legal review, interpretation and advice to the Department on various pieces of legislation including The Families First Coronavirus Response Act (FFCRA) (Pub. L. 116-127), the Emergency Paid Sick Leave Act (EPSLA) and the Emergency Family Medical Leave Act (EFMLEA), including the exclusion of VHA employees and health care providers; "The Coronavirus Aid, Relief, and Economic Security Act" (CARES Act), Public Law 116-136, including provisions that amended EPSLA and EFMLEA and authorized waivers of pay caps; and the Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act), including sections on expanded telework, presumptions of eligibility for workers compensation benefits for federal employees diagnosed with COVID-19, expansion of EFMLEA and EPSLA, immigration matters, pandemic differential pay, and limitations on premium pay. OGC advised VA leaders to leverage all legal authorities to manage its workforce effectively during the pandemic resulting in continued care for our Veterans and the community.
- Fourth Mission Support: Provided legal review, interpretation and advice to the Department on VA's ability to expand its scope to respond to Mission Assignments and procure work, services and materials via contracts if needed, both before and after the declaration of emergency under the Robert T. Stafford Disaster Relief and Recovery Act. OGC reviewed numerous Mission Assignments requested through FEMA by various state and local entities (including nursing homes) seeking support; and responded to questions regarding the implementation of those Assignments.
- Provided legal support on multiple issues including whether contracts could be priority rated, what constituted fair and reasonable prices during a pandemic, price gouging, potential fraud, and the law on Advanced Payments. OGC identified Public Law 85-804 as a potential solution to Advanced Payments limitations and assisted in obtaining an Executive Order allowing VA to make advance payments on contracts, "without regard to other provisions of law relating to the making, performance, amendment, or modification of contracts" because the President deemed that "such action would facilitate the national defense."
- Reviewed contracts on an expedited basis for critical supplies such as N-95 masks, ventilators, epidemiological modeling services, Tele-ICU mobile carts, Portable Transport Physiological Monitors, hand sanitizer and exam gloves. OGC worked an Interagency

Agreement (IAA) with FEMA for emergency supply assistance in response to the COVID-19 pandemic, including N-95 Respirators, Eye Protection, Generic Masks, Gloves, Gowns, Hand Sanitizer, and Powered, Air-Purifying Respirators (PAPRs); and advised on how VA and its employees could solicit or accept gifts of PPE consistent with applicable laws.

- Worked to draft a Determination and Findings (D&F) justifying the urgent and compelling circumstances that would not permit waiting for a GAO protest decision that was delaying VA's ability to provide laptops for telework. This D&F enabled VA to order and receive urgently needed laptops, thereby ensuring remote VA operations, while at the same time enhancing its ability to protect its employees and Veterans.
- Worked with VHA to expedite a contract award that provided VHA the opportunity to augment staffing with more than 2,500 contract nurses at VA medical facilities across the country.
- Worked with VHA to develop guidance and policies on matters including housing homeless Veterans awaiting COVID-19 testing, mandatory face-covering policies, expanded telehealth authorities, and the authority to use 3D printers to manufacture critical personal protective equipment.
- Worked with VBA, BVA and Congress in implementing protections for benefits and claims related to the COVID-19 pandemic including legislation to provide for continuation of housing allowance payments to GI Bill students whose programs were converted from residential training to on-line training (Pub. L. 116-128); to provide for broad use of telehearings before the Board (Pub. L. 116-137); and to implement procedures extending deadlines related to claims and evidentiary submissions due to the pandemic.
- Operation Warp Speed – facilitated and negotiated clinical trial partnerships to test various COVID-19 vaccines.
- Partnerships and clinical trials – played an active and integral role for various COVID-19 partnerships since the start of the pandemic including working with other federal agencies to seek innovative 3D print ideas, and to implement a COVID-19 umbrella relationship with the National Institute of Allergy and Infectious Diseases. Industry relationships include collaborations with Gilead, Genentech, Regeneron, Leidos, Longeveron, Novartis, BioIncept, Global Coalition, Alexion, Eli Lilly, Pfizer, Biotest, GSK, Atea, and Philips.
- Provided guidance to the research community on the Public Readiness and Emergency Preparedness Act (PREP Act) to address concerns for subjects who are taking part in COVID-19 research trials and any VA Medical Center who is entering into a COVID-19 partnership with industry. This law states that, “a covered person shall be immune from suit and liability under Federal and State law with respect to all claims for loss caused by, arising out of, relating to, or resulting from the administration to or the use by an individual of a covered countermeasure if a declaration under subsection (b) has been issued with respect to such countermeasure.”



- Provided innovative legal advice to help Veterans and their families retain their homes during the COVID-19 National Emergency including a temporary moratorium on foreclosures and evictions in VA’s housing loan program and a full gamut of housing loan protections mandated by the CARES Act (including a loan forbearance option of up to 360 days). Also coordinated with other federal housing agencies and identified novel approaches to help shield Veterans, especially those who exit CARES Act forbearances, from financial shock or predatory lending and servicing. The protocols can also serve as a financial backstop for key components of the loan servicing and securitization sector, which helps to stave off a liquidity crisis and preserve lenders’ incentive to make housing loans for Veterans.
- Provided guidance on questions involving the application of the COVID-19 National Emergency on VA appropriations including advice that VA could fund hotel rooms for VA healthcare workers who worked with COVID-19 patients. Also advised that CARES Act COVID-19 funds must be used only “to prevent, prepare for, and respond to coronavirus,” and not for requirements that pre-existed the pandemic— and that VA must comply with financial reporting requirements in the CARES Act documenting that funds were used for this purpose.
- Provided appropriations law guidance to VHA’s CFO concerning various COVID-19-related impacts on health care delivery expenses. This guidance included interpretations of the availability of the FFCRA supplemental appropriations and the CARES appropriation and supplemental to fund various COVID-19-related expenditures.
- Provided guidance on the application of relevant Privacy and Information Disclosure Laws regarding VA’s ability to release COVID-19-related health information about its employees and patients when sought by various sources, including agencies seeking contact tracing information. Also advised on the use of screening questions to assess the risk of COVID-19 transmission and limit access to VA facilities.
- Provided legal advice to many VA organizations on procedures to facilitate full or partial closures of facilities due to quarantine requirements and on safe and compliant reopening, covering topics such as remote agency operations; enforcing social distancing and mask requirements; compliance with state travel and quarantine restrictions; and security measures to protect PPE.

**MISSION Act Implementation Support:**

- Worked closely with VHA on the promulgation of new regulations, revision of existing regulations, and execution of various contract modifications necessary to implement the myriad provisions of the MISSION Act that impact VA’s provision of community care, including the modification of VA’s third-party administrator contracts and procurements to accommodate the new Veterans Community Care Program (VCCP), urgent care benefit, and a variety of other requirements contained in the MISSION Act.
- Was instrumental in the successful awards of the Community Care Network (CCN) contracts for Regions 1, 2, 3 and 4, totaling roughly \$100 billion dollars and spanning across the United States. This included three successful GAO bid protests, in which GAO

denied all three protests of the Regions 2 and 3 awards. This also included the successful defense of the bid protest brought at CoFC for Region 3, which ultimately led to a successful result at the Court of Appeals for the Federal Circuit. For Region 4, the protester withdrew after submission of the Agency Report. The defense of all awarded CCN contracts has allowed contract performance to continue to provide Veterans care in the community across the United States.

**Appeals Modernization Implementation:** Defended VA’s regulations implementing the Appeals Modernization Act, Public Law 115-55 in four lawsuits filed in the Federal Circuit under 38 U.S.C. § 502 challenging VA’s rulemaking actions and implicating a wide variety of complex and technical subjects in VA benefits law.

**Electronic Health Record Modernization (EHRM) Support:** Provided critical legal advice and litigation support during 2020 to the EHRM initiative, and on VA’s contract with Cerner Government Services, Inc., for the procurement and deployment of the Electronic Health Record (EHR) solution. Legal support to the Contracting team administering the contract covered issues affecting scope, fiscal and intellectual property issues, small business concerns, and Congressional inquiries. Also provided privacy, cybersecurity and appropriations advice regarding the implementation of the EHR system and the legal implications of joint VA/DOD records; worked in close collaboration with attorneys at the DOD Defense Health Agency and advised the Federal Electronic Health Record Modernization (FEHRM) Program Office, which serves as an agile, single decision-making authority that efficiently adjudicates potential joint functional, technical, and programmatic issues in support of the VA/DoD’s single, seamless integrated EHR objectives.

**Program of Comprehensive Assistance for Family Caregivers:** Supported efforts to improve and expand the PCAFC and worked closely with VHA to develop a proposed rule and final rule, published in March and July, respectively, that will transform PCAFC, standardize the program to focus on eligible Veterans with moderate and severe needs, and update the PCAFC regulations to comply with requirements of the VA MISSION Act of 2018, which made changes to the program’s authorizing statute to address the needs of eligible Veterans of all eras better. OGC provided extensive litigation assistance to DOJ in defending *Tapia et al. v. United States* (a CoFC class action suit seeking compensation for alleged wrongful determinations under the PCAFC), which was ultimately dismissed on the government’s motion. This ruling upheld VA’s position that the CoFC was precluded from reviewing PCAFC determinations.

**U.S. Court of Appeals Decision on Vague Claims:** Obtained a favorable decision of the U.S. Court of Appeals for the Federal Circuit, overturning a CAVC decision in *Sellers v. Wilkie* which had created a broad exception to the long-standing requirement that claimants identify to VA the disabilities for which they seek benefits, at least at a high level of generality (e.g., “knee condition”), and allowed a claimant to submit a vague claim (e.g., “all conditions related to service”) requiring VA to scour potentially voluminous records in order to determine the scope of the claim. The Federal Circuit’s reversal of *Sellers* preserves VA’s ability to provide timely, accurate, and thorough decisions on benefit claims.

**Precedent Decision on Service Department Records:** Obtained a favorable precedent before the U.S. Court of Appeals for the Federal Circuit in *Kisor v. Wilkie*, in which the appellant disputed VA’s interpretation that the reference in 38 C.F.R. § 3.156(c) to “relevant” service department

records refers to records that pertain to a fact in dispute in the claim, and does not include records pertaining to undisputed elements of a claim. On remand from the Supreme Court’s landmark decision in this case, the Federal Circuit upheld VA’s interpretation, holding that “the term ‘relevant’ has only one reasonable meaning in the context of § 3.156(c)(1): the ‘relevant’ service records must speak to a matter in issue, in other words, a matter in dispute.”

**Blue Water Navy:** Provided extensive advice and support to the VBA in its implementation of the Blue Water Navy Vietnam Veterans Act of 2019, Public Law 116-23, which extends a presumption of herbicide exposure to Veterans who served exclusively within specified coordinates off the coast of Vietnam. OGC’s advice covered a wide range of subjects, but of particular note was OGC’s support for the Secretary’s decision to use the authority to stay Blue Water Navy cases while VA prepared for implementation, a decision OGC also defended in litigation in the Federal Circuit filed under 38 U.S.C. § 502.

**Appeal of Determination of Rights:** OGC issued Determination of Rights (DOR) asserting right, title and interest on behalf of VA in inventions created by a VA researcher who is dually appointed at an affiliate medical school for (1) Glutamate Agents (riluzole) in the Treatment of Mental Disorders; (2) Intranasal Administration of Ketamine to Treat Depression; and (3) Methods (intranasal ketamine) for Treating Suicidal Ideation contending the researcher used VA resources to create the inventions and that the inventions are directly related to and made in consequence of the inventor’s VA duties. The University has licensed intranasal ketamine to Janssen Pharmaceuticals, Inc. and riluzole for mental disorders to Biohaven Pharmaceuticals, Inc. Both licenses are generating royalties that VA would be entitled to share if the Government had rights in the technology. Department of Commerce National Institute for Science and Technology (NIST) hears DOR appeals in an administrative hearing before the parties seek relief in federal court. This will be VA’s historical first opportunity for a DOR hearing at NIST.

**America Competes Act:** Assisted VA Innovation Center, VHA Office of Mental Health and Suicide Prevention and PREVENTS Task Force on a multi-phase challenge aimed at addressing and helping to reduce veteran suicide, entitled the Suicide Prevention Grand Challenge under the statutory authority of Section 105 of the America COMPETES Reauthorization Act of 2010, 15 U.S.C. § 3719.

**Specially Adapted Housing (SAH) Benefit Expansion:** Provided significant legal advice to Congressional stakeholders to expand and augment benefits available under VA’s SAH program, which provides grants to help Veterans and Service members purchase or construct adapted homes or modify existing homes to accommodate their service-connected disabilities. The resultant bill, enacted on August 8, 2020, expanded SAH eligibility to more Veterans, increased aggregate dollar limits, increased the maximum number of grant usages from three to six, and, beginning on October 1, 2030, will allow certain Veterans to obtain an additional grant in certain cases.

**Construction Litigation Excellence:** Stood up a Construction Litigation Team. focused on defending VA in complex, high-value construction litigation. Since its inception, the team has defended VA in over 85 lawsuits before the CBCA and saved VA approximately \$52 million in claimed contractor costs.

**Transformation Twenty-One Total Technology Next Generation Solicitation (T4NG):**

Provide ongoing support to the on-ramp solicitation for T4NG. This \$23 billion Multiple Award Indefinite Delivery, Indefinite Quantity (IDIQ) contract solicitation is being conducted pursuant to the on-ramp clause of the T4NG basic contract and will solicit offers from Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) to provide total IT service solutions.

**Financial Management Business Transformation (FMBT):** Support multiple contracts in connection with the critical FMBT program intended to modernize VA's legacy Financial Management System (FMS). This includes support of recent solicitations and contract awards to contract administration issues.

**Meeting VA Space Needs:** Provided significant legal support to the Office of Construction and Facilities Management (CFM), NCA, and the Program Contracting Activity Central (PCAC) to meet VA's needs for space and facilities. Highlights of OGC's work include:

- Supported various construction contract solicitations and awards totaling over \$500 million.
- Provided significant legal support and defended VA action to enable the review and award of approximately 10 major leases valued around \$100 million.
- Provided guidance on legal authority and transactional documents. to support VA's acceptance of a donated medical center of over 450,000 square feet in Garland, TX.
- Successfully negotiated the Enhanced Use Lease for two buildings on the West Los Angeles campus which will provide 122 units of permanent supportive housing and critical support to Veterans in that high homeless population area.
- Expedited the environmental review and due diligence process for construction and leasing projects by reviewing and preparing solicitation for \$189M IDIQ procurement for Environmental Services and in issuing \$900 million in IAA modifications for some of the VA's largest and most critical super construction projects.

**Representation before the CAVC:** OGC represented the Secretary in a record number of more than 9,000 new appeals representing a nearly 45% increase in the last two years, including newly recognized class action matters which typically involve thousands of claimants. Together, in 2020, the office received 15,524 new cases and filed, on average, approximately 135 pleadings per day, every day. Significant precedent decisions issued during the year include:

- Cameron v. Wilkie, 18-2121 (1/30/2020). Affirmed VA's interpretation of its regulation regarding when attorneys are permitted to charge fees for representing veterans before VA.
- Langdon v. Wilkie, 18-0520 (2/05/2020). Affirmed VA's interpretation of the diagnostic codes pertaining to disabilities of the spine, holding that functional impairment caused by a non-service-connected lumbar spine disability cannot be considered when rating a thoracic spine disability when there is medical evidence distinguishing between the impairments caused by the two conditions.
- Philbrook v. Wilkie, 18-5628 (5/19/2020). Affirmed VA's position that confinement at a state mental hospital precluded compensation for a total disability rating based on individual unemployability.

- Straw v. Wilkie, 18-7129 (6/26/2020). Affirmed VA’s interpretation of the residency requirement in the Honoring America's Veterans and Care for Camp Lejeune Families Act of 2012.
- Martinez-Bodon v. Wilkie, 18-3721 (8/11/2020). Affirmed VA’s position that entitlement to service connection for a psychiatric condition requires a valid diagnosis under the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5).

**Support of VHA Revenue and VA Debt Operations:** During Fiscal Years 2017-2019, OGC increased its Medical Care Collections by 17.8% (2017: \$66.4 million; 2018: \$74.0 million; 2019: \$78.2 million). In 2020, despite the negative impact of the pandemic, OGC exceeded 2019 recoveries (2020: \$79.1 million). In 2020, OGC closed 20% more cases and opened over 12% more new cases than in 2019. During the first half of 2021, OGC’s recoveries are over 19% higher than they were in the first half of 2020.

**Interim Final Regulation (IFR) to Practice Health Care Anywhere:** Supported in depth technical advice to VHA on the IFR that would permit VA health care providers to practice anywhere, regardless of their State license, registration, or certification and would apply to all types of VA health care providers (i.e., M.D.s, RNs, dentists, psychologists, social workers, physical therapists, etc.).

**Title 38 SES Equivalent Pay Amendment:** Supported a legislative fix to amend 38 U.S.C. 7404(d) to exempt individuals appointed under sections 7306 and 7401(4) of title 38 (“SES-Equivalents”) from the limitation on the amount of basic pay payable to Executive Level V (\$160,100 in 2020). The statute also provides the Secretary with authority to retroactively waive the pay limitation during the relevant time frame of the statutory discrepancy.

## **Budget Highlights**

In 2022, OGC requests \$125.5 million in direct appropriations to support 717 FTE, and \$24.3 million in reimbursable authority for 149 reimbursable FTE, to provide critical legal support and representation necessary for the Department to meet the Secretary’s priorities.

**Office of General Counsel**  
**Employment and Obligation Classification**

(FTE, \$ thousands)

	<b>2020 Actual</b>	<b>2021 Request</b>	<b>2021 Enacted</b>	<b>2022 Request</b>	<b>Increase (+) Decrease (-)</b>
<b>Average Full Time Equivalent (FTE)</b>					
VA Central Office (VACO)	283	225	304	320	17
VA's Operations outside of VACO	482	673	517	546	29
<b>Total , FTE</b>	<b>765</b>	<b>898</b>	<b>821</b>	<b>866</b>	<b>45</b>
<b>Obligations:</b>					
Personnel Compensation	\$ 89,848	\$ 101,807	\$ 96,797	\$ 103,132	\$ 6,335
Personnel Benefits	\$ 30,869	\$ 29,853	\$ 34,019	\$ 35,866	\$ 1,848
Travel	\$ 588	\$ 2,175	\$ 758	\$ 2,211	\$ 1,453
Transportation of Things	\$ 15	\$ 181	\$ 18	\$ 185	\$ 167
Rents, Comm. & Utilities	\$ 1,352	\$ 2,935	\$ 1,455	\$ 2,331	\$ 876
Printing	\$ 17	\$ 15	\$ 17	\$ 15	\$ (2)
Other Services	\$ 5,088	\$ 6,405	\$ 7,142	\$ 4,716	\$ (2,426)
Supplies & Materials	\$ 102	\$ 303	\$ 195	\$ 311	\$ 116
Equipment	\$ 1,847	\$ 1,034	\$ 45	\$ 1,040	\$ 995
Land & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
Grants, Judgements, Interest & Insurance	\$ 56	\$ 20	\$ 7	\$ 20	\$ 13
<b>Total, Obligations</b>	<b>\$ 129,782</b>	<b>\$ 144,728</b>	<b>\$ 140,453</b>	<b>\$ 149,828</b>	<b>\$ 9,375</b>
<b>Offsetting Reimbursements (-)</b>	<b>\$ (20,260)</b>	<b>\$ (23,541)</b>	<b>\$ (23,453)</b>	<b>\$ (24,318)</b>	<b>\$ (865)</b>
<b>Total, Direct Budget Authority (BA) Obligations</b>	<b>\$ 109,522</b>	<b>\$ 121,187</b>	<b>\$ 117,000</b>	<b>\$ 125,510</b>	<b>\$ 8,510</b>

\*Numbers may not add due to rounding.

## **Explanation of increases and decreases:**

OGC is requesting additional FTE to address continued increases in legal workload in the field and at the Department level. This funding will ensure OGC is properly resourced in key legal support areas.

VA has seen the need for legal resources increase during the past five years due to increases in funding and scope of various VA programs. Funding requested in this budget provides VA with the resources to address day-to-day preventive law to ensure legal actions are taken with sound legal guidance and within the bounds of law and regulation.

The COVID-19 pandemic created a workload surge in OGC that only compounded the workload surge created by growing legislative initiatives and Department priorities, as well as the general growth of the VA employee population, which has outpaced the relative growth of legal support within the Department. For example, the VAAWP, the need to negotiate new Collective Bargaining Agreements, the changes to workplace rules and benefits caused by COVID-19, and the general growth of the VA employee population have all increased the number and complexity of employment law issues and cases handled by OGC. This increased number of issues and cases and the increased time necessary for each matter requires an increase in the number of OGC attorneys with employment law expertise.

Similarly, VA's implementation of the MISSION Act, its EHRM Program, its Appeals Modernization Program and any number of other significant initiatives all equate to a greater demand for attorneys and legal professionals experienced in healthcare law, government contracting, information law, VA benefits law and other disciplines.

New programs provide exciting opportunities to serve Veterans better, but they also involve great risk—especially at their early stages of implementation. Without adequate resources, OGC would be unable to guide the Department on how best to implement these important programs to avoid litigation and may also be unable to defend the Department effectively when litigation ensues.

VA has also increased the number of decisions through the BVA, resulting in an increased number of appeals CAVC. As the exclusive representative of VA at the CAVC, OGC requires additional attorneys to represent the Department and avoid sanctions.

Finally, funding is requested to provide adequate space for the requested additional FTE. OGC is already above its capacity for office space and needs additional (or replacement) space to support OGC operations even after considering increased use of telework during the COVID-19 pandemic.

**Office of General Counsel**  
**Changes from 2021 President's Budget Request**

	Budget Estimate	Current Estimate	Increase (+) Decrease (-)
Average Employment	898	821	-77
<b>Obligations:</b>			
Personal Services	\$ 131,660	\$ 130,816	\$ (844)
Travel	\$ 2,175	\$ 758	\$ (1,417)
Transportation of things	\$ 181	\$ 18	\$ (163)
Rents, communications & utilities	\$ 2,935	\$ 1,455	\$ (1,480)
Printing and reproduction	\$ 15	\$ 17	\$ 2
Other services	\$ 6,405	\$ 7,142	\$ 737
Supplies and materials	\$ 303	\$ 195	\$ (108)
Furniture and equipment	\$ 1,034	\$ 45	\$ (989)
Insurance claims	\$ 20	\$ 7	\$ (13)
<b>Total Obligations</b>	<b>\$ 144,728</b>	<b>\$ 140,453</b>	<b>\$ (4,275)</b>



## Summary of Workload Indicators (Number of Cases)

### Office of General Counsel Summary of Workload Indicators

Product Lines:	FY 20 (Actuals)		FY 21 (Projected)		FY 22 (Projected)	
	Pending FY20	Open FY20	Pending FY21	Open FY21	Pending FY22	Open FY22
Employment Law	7,450	25,471	8,195	28,018	9,015	30,820
Court of Appeals (Appeal of BVA Decisions)	13,467	15,763	14,814	17,339	16,295	19,073
Contract Law (includes DCNPG, RPLG, & PRLG)	9,854	7,434	10,839	8,177	11,923	8,995
Tort Claim Adjudication	3,225	2,595	3,548	2,855	3,902	3,140
Information Law	1,953	3,850	2,148	4,235	2,363	4,659
Health Law	1,060	1,345	1,166	1,480	1,283	1,627
Benefits Law	2,806	3,133	3,087	3,446	3,395	3,791
Ethics	500	8,514	550	9,365	605	10,302
Collections	19,924	18,279	21,916	20,107	24,108	22,118
Loan Guaranty	428	18,162	471	19,978	518	21,976
<b>Column Totals</b>	<b>60,667</b>	<b>104,546</b>	<b>66,734</b>	<b>115,001</b>	<b>73,407</b>	<b>126,501</b>
<b>Overall Totals</b>	FY20 Total: <b>165,213</b>		FY21 Total: <b>181,734</b>		FY22 Total: <b>199,908</b>	

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## Office of Management

### Mission Statement

The Office of Management (OM) provides Departmental leadership, stewardship, and oversight, with a vision for being a trusted advisor and partner in the goal of achieving budgetary, financial, long range investment planning and analysis, and capital asset management excellence. To support our primary customers including Congress, the Office of Management and Budget, the Department's three Administrations, the Board of Veterans' Appeals, the Office of Information Technology, and Staff Offices, we will initiate actions that continue to improve VA's ability to provide timely, reliable, accurate, quality and cost-effective services. We will strive to increase business efficiencies through standardized processes, maintain effective stewardship over VA resources, increase accountability and transparency, and provide oversight of the Department's financial and business functions.

### Office of Management Budgetary Resources

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$340	\$0	\$1,036	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	63,992	71,054	64,407	73,726
Offsetting Collections	791	728	735	728
<b>Total, Budgetary Resources</b>	<b>\$65,123</b>	<b>\$71,782</b>	<b>\$66,178</b>	<b>\$74,454</b>
<b>Total Obligations</b>	<b>58,861</b>	<b>71,782</b>	<b>66,178</b>	<b>74,454</b>
<b>Year End Balances</b>	<b>\$6,262</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Office of Management**  
**CARES Act Resources**

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>CARES Act Resources</b>				
Unobligated balance brought forward, Oct. 1	\$0	\$0	\$1,965	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	1,965	-	-	-
Offsetting Collections	-	-	-	-
<b>Total, Budgetary Resources</b>	<b>\$1,965</b>	<b>\$0</b>	<b>\$1,965</b>	<b>\$0</b>
<b>Total Obligations</b>	<b>-</b>	<b>-</b>	<b>1,965</b>	<b>-</b>
<b>Year End Balances</b>	<b>\$1,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Office of Management  
Summary of Budget Request**

(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Finance	\$14,767	\$18,273	\$13,928	\$15,165
Office of Business Oversight	11,139	11,820	11,274	11,098
Financial Management Business Transformation Service	9,985	13,924	13,924	19,590
Office of Budget	8,804	11,355	8,514	8,924
Office of Asset Enterprise Management	8,383	9,020	9,609	9,247
Office of the Assistant Secretary	4,993	6,662	6,863	8,331
Office of Revolving Funds Oversight - Reimbursement Office	-	-	1,331	1,371
<b>Subtotal, Direct Obligations</b>	<b>\$58,070</b>	<b>\$71,054</b>	<b>\$65,443</b>	<b>\$73,726</b>
<b>Offsetting Collections</b>				
Office of Budget	\$163	\$100	\$107	\$100
Office of Asset Enterprise Management	628	628	628	628
<b>Subtotal, Offsetting Collection</b>	<b>\$791</b>	<b>\$728</b>	<b>\$735</b>	<b>\$728</b>
<b>Total, Obligations</b>	<b>\$58,861</b>	<b>\$71,782</b>	<b>\$66,178</b>	<b>\$74,454</b>

## Office of Management Summary of FTE Request

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Finance	51	64	60	71
Office of Business Oversight	56	67	59	64
Financial Management Business Transforamtion Service	34	46	42	72
Office of Budget	43	66	42	42
Office of Asset Enterprise Management	42	52	48	48
Office of the Assistant Secretary	8	17	10	12
Office of Revolving Funds Oversight - Reimbursement Office	-	-	6	7
<b>Subtotal, Direct FTE</b>	<b>234</b>	<b>312</b>	<b>267</b>	<b>316</b>
<b>Offsetting Collections</b>				
Office of Asset Enterprise Management	4	4	4	4
<b>Subtotal, Offsetting FTE</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total, FTE</b>	<b>238</b>	<b>316</b>	<b>271</b>	<b>320</b>

- In 2022, Office of Management (OM) is requesting \$73.7 million in appropriations to support its mission of providing oversight, leadership, and stewardship of the Department’s financial, budgetary, and capital asset management functions.
- Funding for OM also includes \$628,000 from estimated Enhanced-Use Lease (EUL) receipts. Details on these receipts can be found in the Budget Highlights section of this chapter.

## **Program Description and Accomplishments**

OM, under the leadership of the Assistant Secretary for Management, is a multifunctional organization responsible for directing VA's business activity compliance, budgeting, financial management, long range data-driven program analysis, and capital asset management functions. OM is comprised of six organizational elements: the offices of the Assistant Secretary, Finance, Business Oversight, Financial Management Business Transformation Service, Budget, and Asset Enterprise Management.

The Assistant Secretary for Management is the Chief Financial Officer (CFO). The functions of the Senior Real Property Officer (SRPO) and Chief Sustainability Officer (CSO) reside within OM.

### **Office of Finance**

The Office of Finance (OF), under the direction of the Deputy Assistant Secretary for Finance, currently comprises approximately 71 staff in three sub-offices located in the Washington, D.C. area: the Office of Financial Policy (OFP), Office of Financial Audit (OFA) and Office of Financial Reporting (OFR). In addition, there are more than 320 staff located at the Debt Management Center (DMC) in St. Paul, Minnesota. The DMC reports to the Assistant Secretary for Management and is a non-appropriated entity funded through the VA's Franchise Fund.

OF establishes financial policy for all VA financial entities, which provides guidance on all aspects of financial management. OF coordinates and prepares the annual Agency Financial Report, which comprises VA's annual financial statements, with the Department's financial community. OF provides financial systems support for maintenance and modification of VA's legacy core accounting system, the Financial Management System. OF also supports the implementation of the Department's new Integrated Financial and Acquisition Management System (iFAMS) by validating standard general ledgers and posting logic and managing the reports consolidation process with data from both FMS and iFAMS. OF oversees VA's debt management.

OF manages the annual financial statement audit engagement and provides Departmental leadership and assistance to VA Administrations and Staff Offices regarding financial process improvement and audit readiness, as well as remediating audit-related material weaknesses and significant deficiencies.

*(Refer to the Franchise Fund Enterprise Centers chapter for budget information on DMC and other Franchise Fund operations.)*

### **Recent Accomplishments:**

- Sustained VA's 22nd clean audit opinion and successfully published VA's Agency Financial Report by government-wide deadline.
- Delivered multiple Financial Management Leadership Training conferences attended by over 1,300 employees to build a cadre of well-trained financial management professionals.

- Transformed how Veterans interact with their VA debts through a new debt landing page, which will allow Veterans to view their information on-line. OF estimates that more than 900,000 Veterans will be able to view approximately 2.5 million letters through this landing page.
- Improved the Debt Management Center's call center support by reducing call wait times to less than 2.5 minutes. The call center also reduced blocked calls by 58% and abandoned calls by 28% while increasing the number of calls handled by 10%.
- Published 48 policy chapters including significant updates to the Accounting Classification and Guidelines to Avoid Augmenting an Appropriation chapters. In addition, successfully developed the new Journal Voucher (JV) policy that includes internal controls that will support VA's effort to decrease the number of JVs required for monthly reporting by and improve audit readiness.
- Published a significant rewrite of the VA Financial Accounting Policy Overview policy that describes VA role in updating policy. This policy formally documents the process to update Financial Management policies and the roles and responsibilities of the Chief Financial Officer Council and their respective financial policy working group members.
- Collected \$1.7 billion in debts.
- Achieved the Association of Government Accountants Certificate of Excellence in Accountability Reporting.

## **Office of Business Oversight**

The Office of Business Oversight (OBO) provides oversight of VA's internal control program and compliance with improper payments legislation as well as prevention of fraud, waste, and abuse. OBO provides guidance and support to VA Administrations and staff offices regarding VA's compliance with the Federal Managers' Financial Integrity Act (FMFIA) of 1982, and the internal controls portion of Office of Management and Budget Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. OBO provides Departmental leadership and assistance to VA Administrations and Staff Offices to improve VA's prevention and detection of fraud, waste, and abuse The Payment Integrity Information Act (PIIA) of 2019 also requires VA to actively engage in efforts to reduce fraud risk which OBO supports through an annual risk assessment to identify the Department's programs at highest risk for fraud. OBO also works directly with programs reporting improper payments to evaluate effectiveness of corrective actions and further reduce improper payments. OBO works as a team to continuously improve VA's detection, identification, response, and prevention activities to improve internal controls, combat fraud, waste, and abuse, and reduce improper payments.

## **Recent Accomplishments:**

Assisted in remediation of the root cause of VA's improper payments:



- Actively worked to reduce VA's improper payments. Even during COVID, most programs experienced a reduction in either their improper payments reported or a reduction in their percentage of improper payments as the program continues to grow in amount of payments issued. Developed a way to measure effectiveness of corrective actions across programs providing valuable information to Senior Accountable Officials; this process was the only effectiveness measurement reviewed by the Government Accountability Office in 2020 that did not receive recommendations for improvement (GAO Report 20-336, Payment Integrity.)
- Supported the Chief Financial Officer's (CFO) Council in Cross-Agency Priority Goal Working Groups leading efforts to ensure that all improper payment activities provide value to the taxpayer.
- Successfully reduced improper payments for five of 12 reported programs below the OMB statutory threshold (i.e., 1.5% of program outlays and \$10 million).

Worked to improve VA's improve internal controls and to combat fraud, waste, and abuse across the VA system:

- Used a combined improper payment and fraud program risk assessment process maximizing efficiency through use of automated tools and reduction of the number of required risk assessments within programs.
- Partnered with the Centers with Medicare and Medicaid Services (CMS) and established a computer matching agreement that leverages CMS' advance provider screening process to protect Veterans. VA and CMS match a list of VA's internal and external medical providers against CMS's list of medical providers whose billing privileges have been revoked. VA then adjudicates each match to determine if those revoked providers should be providing care to our nation's Veterans.
- Improved comprehensive tools and templates to guide VA through the annual internal controls assessment and Statement of Assurance Process to include development of: (1) a user friendly Internal Control Assessment tool and guidebook; (2) Corrective Action Plan templates; (3) comprehensive explanatory guidance and instructions for successfully completing internal control assessments and Statement of Assurance and (4) interim and final Statement of Assurance templates.
- Documented VA's significant business processes to help resolve Notice of Findings and Recommendations identified by our external auditors.
- Focused on establishing and identifying internal controls in VA's target state business processes by integrating with Financial Management Business Transformation (FMBT), during system configuration for the National Cemetery Administration (NCA) and Veteran Benefits Administration General Operating Expense (VBA GOE) waves.

## Financial Management Business Transformation Service

The Financial Management Business Transformation Service (FMBTS) provides strategic and operational leadership over the efforts to replace VA's aging legacy financial and acquisition system infrastructure. The FMBT program will provide a modern integrated financial and acquisition management solution with transformative business processes and capabilities that enable VA to meet its goals and objectives, ultimately enhancing service to those who serve Veterans. VA will migrate to CGI's Software as a Service (SaaS) model, configured for VA as Integrated Financial and Acquisition Management System (iFAMS), leveraging VA's Enterprise Cloud offering. This modern, cloud-based system will provide automated internal controls and edit checks to improve data quality, reduce error-prone manual data entry, and eliminate manual reconciliations between legacy systems. The program will increase the transparency, accuracy, timeliness, and reliability of financial information across VA, resulting in improved fiscal accountability to American taxpayers and increased opportunity to improve care and services to those who serve our Veterans.

To build greater continuity between FMBTS and iFAMS preparedness efforts at the Financial Services Center (FSC), the Deputy Assistant Secretary for FMBT has also been appointed acting director of FSC. This realignment integrates operations between the two organizations and best serves the needs of VA Administrations and Staff Offices.

### Recent Accomplishments:

#### *Financial Management Business Transformation Service:*

- Received Authority to Operate (ATO) for iFAMS, granting permission for iFAMS to be used in the VA ecosystem.
- Completed development of all critical interfaces needed for NCA and VBA GOE go-lives that will take place in November 2020 and February 2021 respectively.
- Implemented "Get iFAMS Ready" training video campaign in support of NCA Wave go-live.
- Completed Accounting Classification Structure (ACS) for NCA and VBA GOE Waves.
- Completed Enterprise Acquisition Configuration Revalidation process, confirming existing requirements and ensuring that iFAMS will meet the needs of the VA acquisition community.
- Managed VA's compliance activities related to the Digital Accountability and Transparency Act (DATA) of 2014.
  - VA adjusted for DATA Act requirements of a 30-day reporting cadence.
  - The DATA Act presents a difficult challenge for VA due to the non-integrated and outdated financial systems environment currently in use.

- VA analyzed key DATA Act requirements and continues to partner with the modernization team to ensure the new financial and acquisition management systems under FMBT will allow VA to meet all requirements when the systems are fully operational.
- Hosted second Roadmap Summit with all program stakeholders to validate and revise iFAMS implementation roadmap and to continue to ensure integration with other VA modernization initiatives.
  - Coordinated with two other VA enterprise modernization initiatives—Electronic Health Record Modernization (EHRM) and VA Logistics Redesign (VALOR)—to determine interface and program requirements and understand implementation strategy and schedule between efforts.

*Financial Services Center:*

- Implemented the Electronic Claims Administration and Management System (eCAMS). eCAMS optimizes business processes, addressing VA’s lack of an end-to-end automated claims processing system that had created a backlog of claims paid to community care providers.
- Successfully launched single sign-on capability for VA Time and Attendance System.
- Created and published the Chief Financial Officer financial dashboard on VA’s Pulse Site to track and address potential stale obligations.
- Processed 1.7 million commercial invoices and issued payments of \$21 billion.
- Processed 8.9 million credit card and prime vendor pharmaceutical transactions valued at over \$11 billion, garnering \$101 million in rebates for VA.
- Processed 649 VA employee Permanent Change of Station relocations, reimbursing 4,384 claims for over \$11.8 million.

**Planned 2021 Accomplishments:**

- Finalize outcomes from 2020 Roadmap Summit and gain concurrence from FMBT ESC on revised implementation roadmap.
- Release updated Accounting Classification Structure (ACS) guidance document which will incorporate wave-specific criteria for mapping data elements from legacy systems to iFAMS.
- Complete iFAMS training with NCA finance and VBA GOE end-users.
- Migrate NCA finance data to production system.
- VBA GOE go-live in two phases (February and May 2021).
- Complete pre-wave activities and begin VBA Loan Guaranty wave and the Staff Offices: Revolving Funds wave.
- Begin pre-wave activities for Staff Offices: OIT wave.
- Begin VHA Configuration Validation and LogiCole Business Process Reengineering.

- Continue coordination with VA enterprise modernization initiatives EHRM and VALOR.

### Planned 2022 Accomplishments:

- Enterprise Acquisition in support of NCA go-live.
- Staff Offices: Office of Management and Revolving funds go-live.
- Complete pre-wave activities and begin implementation waves for remaining Staff Offices
- Complete pre-wave activities and begin Enterprise Acquisition wave for the Technology Acquisition Center (TAC), Office of Inspector General (OIG), Construction and Facilities Management (CFM) Major Construction fund, and VBA Insurance wave.
- Begin pre-wave activities for VBA Compensation and Pension (C&P) wave.
- Continue coordination with VA enterprise modernization initiatives EHRM and VALOR.

### Summary of FMBT Budget Request

Funding Source (dollars in millions)	2021 Enacted	2022 Request	2022 - 2021 Increase (+) Decrease (-)
General Administration (Office of Management- FMBT)	14.0	19.6	5.6
<i>Information and Technology Sustainment- Enhancement</i>	<i>93.0</i>	<i>114.0</i>	<i>21.0</i>
<i>Information and Technology Sustainment- Steady State</i>	<i>18.0</i>	<i>20.0</i>	<i>2.0</i>
Information and Technology Total	111.0	134.0	23.0
Franchise Fund	85.0	127.0	42.0
Supply Fund	44.0	76.0	32.0
Grand Total, FMBT	<b>254.0</b>	<b>356.6</b>	<b>102.6</b>

### Explanation of Budget Request

- General Administration (GenAd) funding provides government FTE to oversee and manage the FMBT project, as well as funding for service level agreements with other VA offices. GenAd also funds a contract to provide DATA Act support.
- OIT funding is used for IT development and maintenance costs (system integration, interfaces, hosting, configuration, licenses, etc.).
- Franchise Fund dollars are used for non-IT program costs which are billed to VA administrations and staff offices.
- Supply Fund resources are used for implementation of acquisitions functionality.

### Office of Budget

The Office of Budget (OB) provides strategic and operational leadership in the development and execution of the Department’s budget. OB provides policy guidance, technical assistance, and

Department-level oversight of all program budgets to ensure accuracy and consistency with policy, law, and regulation. OB also provides the Department with an impartial forum to discuss and resolve budgetary issues to ensure Veterans' programs are carried out in an efficient and effective manner.

### **Recent Accomplishments:**

- Led the development of an accurate and informed submission of VA's budget request to OMB, and the President's Budget request to Congress, while serving multiple roles of coordinator, examiner, mediator, advisor, and advocate.
- Coordinated monthly budget execution reviews with the Administrations and staff offices; providing a comprehensive way to monitor the planning and execution of VA's budget. Results presented to leadership included assessments of the status of budgetary resources, resource allocation, programmatic initiatives, performance measures and metrics, workforce management, and enterprise risk management.
- Developed a Department-wide workflow tool to manage the publication of VA's Congressional Justification volumes in coordination with the Office of Management and Budget.
- Initiated a Department-wide OMB Apportionment Management System that improved the apportionment process and increased responsiveness to audit inquiries.
- Established the proof of concept for a Pilot Budget Database and completed the development at a low cost using a VA-owned server space and technology. The development work also assisted VA's FMBT initiative, Office of Program Analysis and Evaluation, and the DATA Act reporting efforts by providing data structures and a Common Budget Data Upload Sheet to serve all data mapping requirements.
- Hosted, organized, and facilitated annual reimbursement Town Hall meetings to brief stakeholders on critical requirements in 2020 (function now resides in ORFO).
- Reviewed and provided cost assessment guidance for more than one hundred legislative proposals during the 2021 and 2022 budget cycles.

### **Office of Revolving Funds Oversight – Reimbursement Office:**

In 2018, the Department consolidated budget functions across the General Administration (GenAd) account in the Office of Budget (OB) to support VA modernization and Department-wide efficiencies. As a part of this effort, OB stood up the first ever GenAd Reimbursement Office to improve the management, accountability, and transparency of reimbursements collected into the GenAd appropriation.

This Department level Reimbursement Office works directly with the buyers and sellers of services through Intra-Agency Agreements. The Office oversees and manages centralized functions for Staff Office agreements as the provider (seller) of services. The Reimbursement team streamlined recordkeeping by instituting processing agreements through an in-house SharePoint site. The team analyzes agreements for purpose, validity, fair cost distribution, and execution of funds. In addition, the team provides oversight to ensure timely issuance of agreements for accurate administrative processing between buyer/seller activities and timely return of unused funds to the

customers. To better align the reimbursable services within OM, the Reimbursement Office was realigned from OB to OM's Office of Revolving Funds beginning in 2021.

### **Recent Accomplishments:**

- Collaborated with the impacted offices (buyers and seller) to expeditiously fund VA's Section 504 Compliance Program, the Human Resource Administration/Safety Workers Compensation Information Management Systems, and the Veterans Experience Office services for COVID-19. These services ensured critical VA operations and policy compliance went uninterrupted during the pandemic. Executing Section 504 agreements allowed the Department to comply with the Rehabilitation Act, which provides Veterans the right to receive alternative communication.
- Hosted the first ever virtual Gen Ad Reimbursement Town Hall forum to inform customers of increased costs for services and provide a platform for customers to ask questions to the service providers about future services and costs. This collaborative session allowed the customers to vote on programs and cost changes of the initiatives being proposed.
- Enhanced the agency-wide reimbursement notification process by developing timelines to develop, issue, execute, and receive agreements; developed and implemented a reimbursement cost matrix which is used for budget submissions to OMB and Congress.

### **Office of Asset Enterprise Management**

The Office of Asset Enterprise Management (OAEM) serves as VA's Departmental lead responsible for the corporate-level capital asset management function for VA's real property infrastructure. This function includes serving as the principal policy office and business advisor regarding capital investment selection, via the Strategic Capital Investment Planning (SCIP) process, portfolio management and capital asset disposition. Additionally, OAEM provides guidance, standards, and technical expertise and adheres to sound business practices in supporting VA's strategic goals. Moreover, OAEM ensures compliance with all Federal real property and capital asset reporting and statutory requirements and produces a SCIP Long Range Capital Plan as part of the VA Construction and Long-Range Plan, budget volume IV.

OAEM supports the Office of Budget's responsibility to ensure the accurate and informed submission of VA's budget request to OMB and the President's Budget request to Congress by developing the Construction and Long-Range Plan, Volume IV. OAEM staff develop much of the volume resulting from the SCIP process, and coordinate input externally from the Administrations and Staff Offices, including the Office of Construction and Facility Management (OCFM).

As part of its asset management activities, OAEM serves as the policy and program office for VA's Energy Management Program (EMP), helping ensure VA meets performance and reporting mandates in the areas of energy and water management, vehicle fleet management, and environmental management. Additionally, OAEM serves as the policy, program, and application office for VA's Enhanced-Use Lease (EUL) program that helps in combating homelessness for Veterans. The EUL program repurposes underutilized VA real property assets for supportive housing for homeless Veterans or Veterans at-risk of homelessness.

## Recent Accomplishments:

- OAEM is coordinating VA efforts in support of the Administration's climate goals, including Executive Order 14008, Tackling the Climate Crisis at Home and Abroad and Executive Order 13990, Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis. Efforts include conducting an agency-level review of VA policies and actions from the previous Administration to ensure alignment with national climate objectives; evaluating integration of the social cost of greenhouse gases into VA decision making; and establishing a senior-level Climate Change Task Force to generate a Climate Action Plan and manage implementation of VA climate priorities. Additionally, OAEM is leading VA's efforts in support of the Administration's goal of transitioning to a zero-emission Federal fleet. OAEM has convened a new Electric Vehicle (EV) Working Group consisting of subject matter experts across the Department to further develop an execution plan and optimize solutions, including long-term EV planning and collaboration with the General Services Administration and Department of Energy on near-term opportunities.
- VA is working towards the goal of creating high performing clinic networks to serve Veterans that consider current and future services by integrating community care and VA-provided healthcare. OAEM, in collaboration with VHA, has partnered with private sector healthcare experts to design an objective, integrated healthcare delivery approach looking at Veteran population, demand, and internal and external health care resources and capacity. A national infrastructure realignment strategy will follow and be used to inform VA's capital planning efforts and develop a nationwide investment/divestiture plan.
- OAEM initially developed the SCIP process for the 2012 budget process, and that process continues to be refined each year. The 2022 SCIP process provides an annual Department-wide long-range capital plan that identifies specific capital investments over a 10-year planning horizon. Funding and implementation of these investments is designed to resolve projected performance and infrastructure gaps and provide improved quality service and benefits delivery to Veterans. The 2022 annual SCIP process resulted in a defensible, data driven capital plan consisting of 3,272 capital projects with a total investment value between \$50 billion and \$61 billion (not including additional activations costs between \$8 billion and \$10 billion) to address gaps in VA's infrastructure.
- OAEM continues to update and refine the SCIP process to ensure that the long-range capital plan reflects the Secretary's current priorities, including: seamless and effective customer service; implementation of the Mission Act to ensure Veterans have a wide variety of options for the health and well-being; implementation of Electronic Health Record (EHR) to ensure seamless and secure transfer of sensitive health information; business systems transformation to ensure systems are modernized and technology enables employees to enhance quality of care and services; and suicide prevention as a top priority.

- OAEM acknowledges the significance of COVID-19 response and recovery demands on field resources for the 2022 process. To minimize field workload demand while maintaining program quality and credibility, numerous temporary changes have been implemented for business case submission requirements. These changes include reduction of scope for minor construction project business cases and elimination of business case submissions for minor leases.
- Congress appropriated an increase (“Plus-Up”) of \$2 billion over VA’s request in 2018 for the Minor Construction, NRM and State Home Grant programs to support infrastructure improvements across VHA. In 2019, Congress again provided \$2 billion in Plus-Up funding (\$750 million for Major seismic corrections, \$300 million for an existing Major project, \$150 million for Minor, and \$800 million for NRM) to further these efforts. OAEM continues to lead the centralized efforts to monitor the execution of these projects through the established Infrastructure Tiger Team (ITT) and its supporting Capital Portfolio Performance Management (CPPM) working group.
- OAEM is responsible for corporate management of VA’s real property inventory. This includes collection and reporting of inventory and performance information on all buildings, structures, and land to the Federal Real Property Council (FRPC) and other key internal and external stakeholders. OAEM is the key point of contact to respond to Office of Management and Budget, General Services Administration, Government Accounting Office, Congressional, and external media inquiries related to the state and usage of our real property assets. OAEM oversees maintenance and enhancements to the data systems used to manage VA’s real property portfolio. These systems, which include the Capital Asset Inventory (CAI), the Enterprise Lease Management Tool (ELMT) and the SCIP Automated Tool (SAT), provide reporting and analytical capabilities to support Departmental and external initiatives. OAEM continues to focus on creating system enhancements to better report and track lease progress. OAEM reported a 29.6% decrease in data anomalies to the FRPC in 2020.
- New CAI data fields/enhancements implemented in 2020 were focused on improving geo-location data quality for VA’s assets, improving transparency for building and structure disposals, and better accommodating lease extensions. OAEM leveraged an improved address validation engine for owned and leased assets using VA Profile, an existing enterprise-wide data management solution to ensure user-entered addresses are valid. Furthermore, VA continues to transition to greater use of latitude and longitude geo-location data both as a means of identifying assets without traditional postal addresses, improving data quality, and in response to the recent FRPC guidance. Data quality for real property asset disposals were improved to better track and validate compliance milestones such as the National Historic Preservation Act (NHPA) and the National Environmental Policy Act (NEPA) compliance. CAI’s business rules for lease dates were improved to accommodate lease extensions, adding a ‘current termination’ date field to reflect the government’s occupancy information more precisely. As part of its annual data call to the field, OAEM also issued a comprehensive discrepancy report highlighting missing and questionable agreement data and calling for updated agreement information from the field and conducted user



training to improve data quality. VA utilizes reports from CAI and its Business Intelligence tool to continuously evaluate data quality and monitor real property portfolio performance.

- VA launched an initiative to address the vacant buildings currently in its real property portfolio in June 2017. The effort focuses on 430 identified vacant buildings, with a goal established in June 2019 of initiating disposal or reuse actions on these buildings within 24 months. This effort brings several on-going initiatives together into a single, centrally managed process. Other portfolio level initiatives include Reduce the Footprint (a government-wide policy to use property as efficiently as possible and to reduce agency portfolios through annual reduction targets), engagement with GSA for property disposal, historic out leasing, and EUL. OAEM is leading the effort, with support from several VA offices, to push forward on reusing or disposing of these buildings. The initiative concluded in November 2019 and as of March 2021, 189 of the original vacant buildings (44%) have been disposed or re-purposed.
- The Energy Management Program (EMP) within OAEM coordinates agency-level policy and planning for energy and water management, environmental management, and vehicle fleet management. Through EMP programs, projects, and studies, VA is saving millions of taxpayer dollars on electricity, gas, and water costs, has reduced energy intensity by 28.5% from a 2003 baseline, and has decreased water intensity by 34.5% since 2007. Through competitive utilities purchasing, VA saved \$17.8 million in FY20 alone and \$275 million to date since the program's inception. Also, through EMP, VA has awarded over \$1.1 billion in needed infrastructure upgrades, including \$197 million in FY20 and \$198 million to date in FY21, via energy savings performance contracts (ESPCs) and utility energy services contracts (UESCs). These projects support 88 facilities using private-public partnerships that require no up-front project appropriations and contribute towards increasing the reliability and resiliency of VA facilities. Once installed, the efficiency upgrades are expected to translate into \$1.6 billion of avoided Government costs over the life of the contracts, including \$313 million of avoided costs from FY20 contracts and \$189 million of avoided costs from contracts to date in FY21. ESPCs and UESCs allow energy services companies and utilities to install energy and water conservation measures at no upfront cost to VA. VA makes annual payments from the savings generated by the improvements over the life of the contract. The pipeline of ESPC and UESC projects currently in development represents an additional \$66 million in needed energy and water equipment and system upgrades. As part of VA's commitment to promoting Veteran opportunities, many EMP projects have been performed by service-disabled Veteran-owned small businesses and Veteran-owned small businesses.
- OAEM leads the procurement of VA's leased space required to meet the needs of Veterans using delegated authority from the GSA. OAEM is the agency lead within VA supporting the lease delegation process for VA nationally. OAEM continually evaluates and enhances the lease delegation process to ensure complete and correct delegation requests are sent to GSA. OAEM's enhanced review process has sped up the delegations provided by GSA. To date, OAEM has facilitated the award of 2,087 individual lease delegation requests from

GSA since July 2014. OAEM established the Enterprise Lease Management Tool (ELMT) in 2016 to improve the quality and consistency of the delegation submissions to GSA. The ELMT has been continuously enhanced to provide efficient and productive end-user experiences. VA migrated the ELMT to SharePoint Online platform in 2020. This technology upgrade improves VA's ability to deliver much-needed services quickly and efficiently to our Veterans, expands access to mobile devices, and improves user experience with VA applications. New ELMT data fields/enhancements continue to be implemented to support and track VA's Budget Model, as well as lease acquisition milestones and activity for lease delegation requests.

- VA's Enhanced-Use Lease (EUL) program has been instrumental in providing housing to homeless and at-risk of homeless Veterans. Moreover, EULs continue to be an integral tool to help VA improve the utilization of its real property portfolio by making use of otherwise underutilized real property assets. Each EUL housing project is structured to provide permanent and/or transitional housing for homeless, at-risk, senior and/or disabled Veterans. In many cases, the housing is designed to also accommodate families of Veteran residents. VA continues to leverage the EUL program to support the Department's mission, operations, and strategic goals, such as ending chronic Veteran homelessness. From 1991 through 2020, VA executed a total of 103 EULs, which allowed the development of supportive housing facilities, hospice centers, mental health facilities, office buildings, parking facilities, energy plants, and childcare facilities, among other uses.
- During 2020, two EUL housing projects and an additional phase of an existing project became operational, providing a total of 142 units. However, due to changes in three existing EUL Projects, there was also a decrease of 74 operational units realized during 2020. An amendment for Hines I, IL assigned the lease to another lessee. That lessee was awarded funding for renovation, and the 41 previously operational units are now offline as the building is being renovated to provide 28 permanent housing units. Batavia I, NY is now categorized as terminated, causing a decrease of 11 operational units. Finally, an amendment was executed for the Barbers Point, HI EUL. This amendment formally corrected the unit count from 244 to 222 units, a decrease of 22 operational units. West LA Building 205 and 208 EUL housing projects and an additional Dayton 1 (Phase II) phase of an existing project began construction, providing a total of 126 units.
- VA continues to pursue draft legislation to expand the capabilities of the EUL program to allow VA to further repurpose vacant and underutilized properties, beyond supportive housing, to reduce the financial burden of maintaining these properties. The proposed legislation would expand VA's current EUL authority to allow a full range of uses consistent with VA's mission. This legislation is still a priority for the Department and would give VA more opportunities to engage with the private sector and local governments to reduce the Department's underutilized properties.

## **Budget Highlights**

The 2022 request of \$74.5 million in total budgetary resources will provide:

- The Office of the Assistant Secretary with \$8.3 million and 12 FTE for management oversight and direction of critical Department-wide initiatives underway in OM. The funding will also support Department-level actuarial services and pay for the Workers' Compensation and State Unemployment costs for the Gen Ad Staff Offices.
- The Office of Finance with \$15.2 million to support 71 FTE to continue providing financial management services to the Department. The request also supports services for financial policy, analysis, statement preparation, reporting, systems support and maintenance, operations, charge card programs, financial process improvement, conference planning and execution, audit readiness, and leadership for remediation of audit-related material weaknesses and significant deficiencies. This budget authority will also provide resources to enhance financial skills of VA employees through certification and training.
- The Office of Business Oversight with \$11.1 million to support 64 FTE to continue providing oversight of VA's internal control program and compliance with improper payments legislation as well as prevention of fraud, waste, and abuse.
- The Financial Management Business Transformation Service with \$19.6 million to support 72 FTE to provide leadership and dedicated subject matter experts (SMEs) to manage planning activities, develop systems requirements and configurations, perform data cleansing and data migration, perform testing activities, and deliver training in preparation to deploy the new solution to modernize VA's legacy Financial Management System. (FMS). The current software is over 30 years old and the difficulty in maintaining this legacy system presents significant risk to VA. Should FMS fail or otherwise become inoperable, it would impact the Department's ability to execute its budget, pay vendors and Veterans, and produce financial statements.
  - The increase over 2021 will support FMS enterprise acquisition and go-live implementation for NCA, the Department Staff Offices + Wave, and the various VA revolving funds. Funding supports work on multiple simultaneous wave implementations and planning for future FMBT efforts.
- The Office of Budget with \$8.9 million and 42 FTE to support its mission and budget operations. This funding level supports budget formulation, justification, and execution at the Department level, as well as budgetary analysis and oversight for a complex and increasing VA budget. The request will enhance the Department's ability to make informed decisions in the most cost-effective and transparent manner.
- The Office of Revolving Funds Oversight–Reimbursement Office with \$1.4 million and 7 FTE to oversee and manage the Staff Offices' intra-agency reimbursable agreement program, while continuing the process of communicating requirements and maintaining accountability of the reimbursement process across the Department.
- The Office of Asset Enterprise Management with \$9.2 million to support 48 FTE, (plus reimbursable authority for four additional FTE through expected EUL proceeds for a total

of 52 FTE) to continue providing services as the principal policy office and business advisor for investment selection and execution, portfolio management, and disposal of VA capital assets. OAEM will continue coordinating public-private ventures through the EUL program and coordinating energy, environmental and fleet management efforts through oversight of the Department's implementation of energy and water conservation, renewable energy development, environmental compliance and management systems, and fleet utilization and efficiency at its facilities.

The 2022 request includes the following reimbursable authority:

- \$628,000 in receipts from enhanced use leases to support four corporate-level capital asset management FTE in OAEM.
- \$100,000 for the Office of Budget for the Budget Line of Business (BLoB) support. This support includes the *Congressional Justification Management System Tool* used to collaborate with OMB and other VA offices on the annual budget volumes, and the *Funds Control Management System* which allows VA to process apportionments with OMB, and issue Financial Management Allowances and Transfer of Disbursing Authority documents within the Department.

## Employment and Obligation Classification

(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	151	249	176	190	14
Field	87	67	95	130	35
<b>Total , FTE</b>	<b>238</b>	<b>316</b>	<b>271</b>	<b>320</b>	<b>49</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$31,808	\$39,451	\$36,531	\$42,328	\$5,796
Personnel Benefits	11,942	13,862	14,081	15,652	1,570
Travel	122	866	198	771	574
Transportation of Things	-	-	-	-	-
Rents, Comm. & Utilities	21	5	21	21	-
Printing	10	8	8	12	4
Other Services	14,061	16,722	14,515	14,850	335
Supplies & Materials	96	123	74	67	-7
Equipment	10	16	15	26	11
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$58,070</b>	<b>\$71,054</b>	<b>\$65,443</b>	<b>\$73,726</b>	<b>\$8,283</b>
<b>Offsetting Collections Obligations</b>	<b>791</b>	<b>728</b>	<b>735</b>	<b>728</b>	<b>-7</b>
<b>Total, Obligations</b>	<b>\$58,861</b>	<b>\$71,782</b>	<b>\$66,178</b>	<b>\$74,454</b>	<b>\$8,276</b>

OM is requesting an additional \$8.3 million above the 2021 enacted budget to support a total of 320 FTE, including 4 supported through reimbursements. At the 2022 funding level, OM will continue to manage and implement programs efficiently and deliver critical services effectively. A description of the increases and decreases in the OM request are below:

**Increases:**

- \$7.4 million in Personnel Compensation and Benefits to support an additional 49 FTE across the OM enterprise, including support for Enterprise Acquisition and simultaneous go-live implementation of iFAMS, VA's new financial management system for NCA, VBA and the Department-level Staff Offices. Increases support iFAMS/FMS reports consolidation and reconciliation efforts, as well as iFAMS General Ledger testing.
- \$574 thousand in travel to support training and work site visits.



## *Human Resources & Administration/Operations, Security & Preparedness*

### **Mission Statement**

HRA/OSP leads the development and oversight of human capital strategies, policies and practices while managing the Department’s preparedness, law enforcement and security capabilities to cultivate an engaged, diversified, skilled and resilient workforce. HRA/OSP also coordinates VA’s “Fourth Mission” supporting national efforts to prepare for, respond to, and recover from natural disasters, acts of terrorism, and man-made catastrophes.

### **Office of Human Resources and Administration / Operations, Security, and Preparedness Budgetary Resources (\$ thousands)**

	<b>2020 Actual</b>	<b>2021 Request</b>	<b>2021 Enacted</b>	<b>2022 Request</b>
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$0	\$0	\$150	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	95,850	110,744	97,132	103,646
Offsetting Collections	153,054	207,342	192,738	136,956
<b>Total, Budgetary Resources</b>	<b>\$248,904</b>	<b>\$318,086</b>	<b>\$290,020</b>	<b>\$240,602</b>
<b>Total Obligations</b>	<b>246,362</b>	<b>318,086</b>	<b>290,020</b>	<b>240,602</b>
<b>Year End Balances</b>	<b>\$2,542</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Office of Human Resources and Administration /  
Operations, Security, and Preparedness  
CARES Act Funding  
(\$ thousands)**

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>CARES Act Funding</b>				
Unobligated balance brought forward, Oct. 1	\$0	\$0	\$2,375	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	4,035	-	-	-
Offsetting Collections	-	-	-	-
<b>Total, CARES Act Funding</b>	<b>\$4,035</b>	<b>\$0</b>	<b>\$2,375</b>	<b>\$0</b>
<b>Total Obligations</b>	<b>1,660</b>	<b>-</b>	<b>2,375</b>	<b>-</b>
<b>Year End Balances</b>	<b>\$2,375</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



**Office of Human Resources and Administration/  
Operations, Security, and Preparedness  
Summary of Budget Request  
(\$ thousands)**

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of the Assistant Secretary (HRA)	\$4,476	\$7,743	\$5,214	\$5,301
Office of Management, Planning and Analysis	11,324	10,347	11,330	11,576
Office of Administration	29,343	31,159	30,176	34,194
Office of Labor-Management Relations	4,059	5,914	3,961	3,965
Corporate Senior Executive Management Office	6,450	6,871	6,564	7,100
Office of the Chief Security Officer	641	1,082	668	779
Office of Identity, Credential, and Access Management	3,433	3,269	3,230	3,335
Office of Emergency Management and Resilience	8,799	10,873	8,590	9,344
Office of Security and Law Enforcement	10,567	12,045	11,760	11,320
Office of the Chief Human Capital Officer	12,083	13,558	13,382	14,035
Office of Resource Management	2,131	2,883	2,257	2,396
Office of the Chief of Police	-	5,000	150	300
<b>Subtotal, Direct Obligations</b>	<b>\$93,308</b>	<b>\$110,744</b>	<b>\$97,282</b>	<b>\$103,646</b>
<b>Offsetting Collections</b>				
Office of the Assistant Secretary (HRA)	\$5,410	\$0	\$5,672	\$9,419
Office of Management, Planning and Analysis	3,721	4,700	4,639	4,751
Office of Administration	7,717	10,578	6,855	6,918
Office of Resolution Management <sup>1</sup>	56,119	59,647	59,591	-
Office of Diversity and Inclusion <sup>2</sup>	3,111	5,252	5,249	-
Office of Resolution Management, Diversity, and Inclusion	-	-	-	77,758
Office of Identity, Credential, and Access Management	14,513	45,329	34,692	35,858
Office of Emergency Management and Resilience	-	-	-	2,252
Office of the Chief Human Capital Officer <sup>3</sup>	62,461	81,836	76,040	-
<b>Subtotal, Offsetting Collection</b>	<b>\$153,054</b>	<b>\$207,342</b>	<b>\$192,738</b>	<b>\$136,956</b>
<b>Total, Obligations</b>	<b>\$246,362</b>	<b>\$318,086</b>	<b>\$290,020</b>	<b>\$240,602</b>

<sup>1</sup> In FY 2022, the Office of Resolution Management and the Office Diversity and Inclusion combined to form the Office of Resolution Management, Diversity, and Inclusion (ORMDI) to align with OMB M-17-22.

<sup>2</sup> In FY 2022, the Office of Resolution Management and the Office Diversity and Inclusion combined to form the Office of Resolution Management, Diversity, and Inclusion (ORMDI) to align with OMB M-17-22.

<sup>3</sup> In FY 2022, the Office of the Chief Human Capital Officer's (OCHCO) Enterprise Human Resources Information Services (EHRIS) reimbursements will realign to become an Enterprise Center in the Franchise Fund.



**Office of Human Resources and Administration /  
Operations, Security, and Preparedness  
Summary of FTE Request**

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of the Assistant Secretary (HRA)	15	23	15	16
Office of Management, Planning and Analysis	29	30	29	29
Office of Administration	52	52	51	51
Office of Labor-Management Relations	21	26	20	20
Corporate Senior Executive Management Office	25	32	28	30
Office of the Chief Security Officer	3	5	3	3
Office of Identity, Credential, and Access Management	23	23	19	20
Office of Emergency Management and Resilience	47	58	44	44
Office of Security and Law Enforcement	43	48	42	44
Office of the Chief Human Capital Officer	71	81	79	79
Office of Resource Management	6	9	7	9
Office of the Chief of Police	-	24	1	1
<b>Subtotal, Direct FTE</b>	<b>335</b>	<b>411</b>	<b>338</b>	<b>346</b>
<b>Offsetting Collections</b>				
Office of the Assistant Secretary (HRA)	0	0	0	24
Office of Management, Planning and Analysis	6	7	8	8
Office of Administration	12	18	18	18
Office of Resolution Management <sup>27</sup>	263	329	311	-
Office of Diversity and Inclusion <sup>28</sup>	15	24	21	-
Office of Resolution Management, Diversity, and Inclusion	-	-	-	406
Office of Identity, Credential, and Access Management	7	19	12	19
Office of Emergency Management and Resilience	-	-	-	8
Office of the Chief Human Capital Officer <sup>29</sup>	45	68	58	-
<b>Subtotal, Offsetting FTE</b>	<b>348</b>	<b>465</b>	<b>428</b>	<b>483</b>
<b>Total, FTE</b>	<b>683</b>	<b>876</b>	<b>766</b>	<b>829</b>

**Summary of Budget Changes**

<sup>27</sup> In FY 2022, the Office of Resolution Management and the Office Diversity and Inclusion combined to form the Office of Resolution Management, Diversity, and Inclusion (ORMDI) to align with OMB M-17-22.

<sup>28</sup> In FY 2022, the Office of Resolution Management and the Office Diversity and Inclusion combined to form the Office of Resolution Management, Diversity, and Inclusion (ORMDI) to align with OMB M-17-22.

<sup>29</sup> In FY 2022, the Office of the Chief Human Capital Officer's (OCHCO) Enterprise Human Resources Information Services (EHRIS) reimbursements will realign to become an Enterprise Center in the Franchise Fund.

In 2018 VA realigned the Office of Operations, Security and Preparedness (OSP) under the Office of Human Resources and Administration (HRA) and named the combined office Human Resources and Administration/Operations, Security and Preparedness (HRA/OSP). For 2022, HRA/OSP requests \$104 million in direct appropriations to support 346 FTE and \$137 million in reimbursements for 483 FTE to support the HRA/OSP mission.

The Department continues to modernize its police force in 2022. The modernization will create a VA police national governance committee, consisting of all department stakeholders, that will manage, oversee, and standardize policies across the enterprise. These changes will reaffirm that safety and security are paramount to the Department. VA will continually implement solutions that assure a safe environment for Veterans, staff, and visitors. Additionally, OSP's FY 2022 reimbursement request includes \$2.3 million and 8 FTE for VA's Office of Emergency Management and Resilience's Defensive Counterintelligence (DCI) program to conduct defensive counter-intelligence activities that may include protection of intellectual property and insider threats.

In FY 2022, the Office of Administration (OA) requests an additional \$3.2 million in direct budget authority to meet the increased cost of rent for the National Capital Region facilities. In the Office of Management, Planning and Analysis (MPA) reimbursements will increase for the Child Care Subsidy Program (CCSP). CCSP anticipates their workload increasing due to a temporary total household income (THI) adjustment from \$89,999 to \$144,000 for COVID-19 leading to an increase in subsidy payments to benefit VA employees. Additionally, the Office of the Chief Human Capital Officer's (OCHCO) reimbursements reflect the elimination of reimbursable funding due to the realignment of the Enterprise Human Resources Information Services (EHRIS) to the franchise fund in 2022. This change is so EHRIS can focus its strategic efforts to better meet the growing needs of the VA enterprise for human resources (HR) information services. (*Refer to the Revolving Franchise Fund chapter for budget information on EHRIS operations.*)

The realignment of the Office of Diversity and Inclusion (ODI) under the Office of Resolution Management (ORM) will consolidate similar functions, reduce organizational duplication, and rename it to the Office of Resolution Management, Diversity, and Inclusion (ORMDI). ORMDI's budget will increase by \$12.9 million and 74 FTE to strengthen VA's diversity program and prevent and resolve discrimination at the early stages; provide a robust harassment prevention program and counseling services while advancing equity for all who have been historically underserved. In addition, the additional resources will allow VA to comply with the Deborah Sampson Act, Presidential Executive Orders 13985 and 13988 and the Executive Memorandum Condemning and Combatting Racism, Xenophobia and Intolerance Against Asian Americans and Pacific Islanders in the United States.

The President's request also funds efforts to comply with an Equal Employment Opportunity Commission (EEOC) recommendation to consolidate all EEO counselors in ORMDI by realigning the Veterans Benefits Administration's (VBA) EEO managers to ORMDI (13 FTE in 2021 and 2 FTE in 2022). As reflected in the Administrative Provisions of the VA's request, the Alternative Dispute Resolution function will be realigned from ORMDI to the Office of Human Resources and Administration. Realignment of this function will improve independence and enhance employee engagement, improve opportunities for early resolution of workplace issues and decrease the cost of EEO complaint processing.

## **Office of Human Resources and Administration/Operations, Security and Preparedness**

### **Office of the Assistant Secretary (OAS)**

The Assistant Secretary for Human Resources and Administration/Operations, Security and Preparedness (ASHRA/OSP) provides oversight and strategic direction for VA's human resources policies, programs, and practices and enables VA's mission by providing a safe environment that always protects people and assets. Additionally, the ASHRA/OSP serves as the Equal Employment Opportunity (EEO) Director for the Department, the Designated Agency Safety and Health Official (DASHO), and VA's Dispute Resolution Specialist, including Alternative Dispute Resolution policy and oversight.

### **Recent Accomplishments (OAS):**

- Established and focused HRA/OSP on Assistant Secretary top six initiatives: HR information systems, manpower management, human capital modernization, modernize VA's police force, leadership development and personnel security and access management. To improve the employee and customer experience, these priority efforts are consistent with VA's strategic plan and continue progress on VA's human capital and security capabilities.
- Continued integration between HRA and OSP as well as the continued integration of executive-level representation from VA Central Office HRA/OSP, the Veterans Health Administration (VHA), VBA and the National Cemetery Administration (NCA), through weekly meetings with a focus on enterprise priority, Shared Services; Customer Service/Employee Engagement; and Enterprise Employee Development.
- Repurposed the previous Principal Deputy Assistant Secretary for OSP position to establish and hire VA's first Chief Security Officer (CSO).
- During the COVID-19 pandemic environment, transitioned HRA/OSP front office operations to a paperless environment enabling telework across the organization.
- Conducted a position validation review that reduced vacant positions by over 40% and established an ongoing review process to maintain accuracy of HRSmart true vacant positions across the enterprise.
- Continued to identify areas to leverage HR Shared Services for common enterprise functions and realign the HRA/OSP organization to promote efficiencies and improve functions and accountability.

*(Refer to the Revolving Franchise Fund chapter for budget information on the Human Capital Services Center (HCSC) operations)*

### **Management, Planning and Analysis (MPA)**

MPA provides budget formulation, integrated business services and mission support. MPA's priorities focus on development of policy, practices, standard reporting procedures, job aids, training, program management, strategic planning, organizational performance, internal controls and HR management and logistical support required to ensure compliance with statutory requirements and HRA/OSP mission needs.

MPA additionally provides visibility and governance of HRA/OSP functions, including:

- Oversight of all funding sources – budget authority and reimbursable authority.
- Government Accountability Office, Inspector General recommendations, and Congressional inquiries.
- Risk management and internal controls.
- Strategic and operational human capital planning and organizational performance assessment.
- HRA business support operations, which include employee HR transactions, logistics, office space, equipment, travel, and VA’s CCSP.
- Acquisition and contract support; program/project management.

### **Recent Accomplishments (MPA):**

- Developed VA’s Human Capital Operating Plan (HCOP) for 2020-2021 aligned with the 2018-2024 VA Strategic Plan Refresh and ASHRA/OSP priorities.
- Facilitated the drafting of COVID-19 temporary legislative proposals that gained approval from OMB to extend hiring flexibilities and other resources to meet COVID-19 demands.
- Led acquisition response during the COVID-19 national emergency by enabling 16 contracts in less than 90 days including CDC compliant equipment.
- Implemented VA’s temporary CCSP changes to expand eligible employees from a household income of \$89,999 to \$144,000.
- Leveraged HRA/OSP SharePoint experience and expertise, using governance and operating procedures, to facilitate efficient and effective communication and collaboration of emergency and security preparedness in response to the COVID-19 pandemic.
- Enhanced HRA/OSP SharePoint Capabilities to 1-terabyte (1,000 GB) of storage space, 99.95% reliability of access, and enhanced data security for all HRA/OSP acquisitions data.
- Led the process of validating HRA/OSP capabilities and prioritizing initiatives for the FY 2022 President’s Budget request.
- Produced a quality Internal Controls Assessment (ICA); this effort was recognized by OM as a VA-wide “Best Practice” submission, demonstrating HRA/OSP business lines are following VA policies and procedures
- Updated and re-aligned HRA/OSP’s Annual Performance Plan (APP) measures and targets with the internal VA Operations Board measures enabling an integrated view of progress in critical areas assessing VA’s human capital management efforts as well as security and preparedness. Ensured alignment with VA Agency Strategic Plan and Secretary’s priorities.
- Led the process of validating HRA/OSP capabilities and prioritizing initiatives for the FY 2021 President’s Budget request and the internal VA FY 2022 budget defense.
- Established acquisition/procurement governance processes for all HRA/OSP offices.
- In coordination with VA’s Acquisition office, ensured the timely award of 166 procurements worth \$134 million for HRA for 2020, including additional requirements related to COVID-19.
- Achieved and maintained acquisition variances within industry best practice standards of equal to or less than 10% of approved project baselines. Continued to improve HRA/OSP business operations through policies, processes, and standard operating procedures

including acquisition and procurements management, program management, change management, and HR liaison services.

- Developed Integrated Master Schedule (IMS) to track and ensure key project milestones and procurement acquisition lead times (PALTs) are met, and that activities are aligned to HRA/OSP strategies and objectives.
- Established and conducted Program Reviews for all HRA/OSP programs in FY 2020, resulting in enhanced oversight of organizational acquisitions and alignment with Assistant Secretary priorities.
- Updated the HRA risk register and risk profile for human capital management; provided technical assistance to program office staff in anticipating risks, resolving issues, and monitoring of mitigation strategies to improve internal controls and business efficiencies.
- Processed approximately \$2.7 million in CCSP benefits, totaling 12,065 subsidy benefit payments in FY 2020 to childcare providers on behalf of VA employees. Due to the pandemic, many employees received non-VA subsidies from their states, or the daycare centers were mandated to close temporarily. This program reduces the cost of childcare for many lower-income employees who care for our Nation's Veterans. Currently, CCSP supports over 2,523 participants with daily growing numbers as schools and daycares are re-opening and a surge of VA employees are applying to the program. Soon, CCSP's policy will change the income eligibility to \$144,000 nationwide, which will increase program participation by 15% – 20%.
- Supported HRA in hiring 74 new employees during a period of transition.

### **Corporate Senior Executive Management Office (CSEMO)**

The Corporate Senior Executive Management Office (CSEMO) is the human resources servicing office for most senior leaders across VA. This includes career, noncareer, and limited-term senior executive service (SES), senior level (SL), Title 38 SES Equivalents, political appointees, consultants/experts, and Veterans Law Judges (VLJ). CSEMO services over 700 employees Department-wide. VA executives are responsible for leading 170 VA medical centers, overseeing the distribution of billions of dollars of benefits to Veterans through 56 Regional Offices, ensuring Veterans have a final resting place in national, state or tribal cemeteries, and providing mission support in areas such as finance, human resources, information technology, acquisition, and legal services.

CSEMO services cover the entire HR life cycle including:

- Establishing policy and guidance.
- Responding to congressional inquiries and Freedom of Information Act (FOIA) requests.
- Management of the Department's SES and SL allocations as approved by the Office of Personnel Management (OPM).
- Classification of senior leader positions,
- Recruitment including oversight of OPM-required Executive Resources Board (ERB) panels to ensure a compliant merit staffing process, appointment, re-appointment, extension(s) of appointment, detail assignments, reassignments, transfers, pay adjustments.
- Oversight of recruitment/relocation/retention incentives.
- Facilitating submission and approval of Executive Core Qualifications to OPM.

- Coordination of drug testing program.
- Onboarding, career development, executive coaching, talent management and succession planning through support of the Department's SES Candidate Development Program.
- Performance management including coordination of Performance Review Boards responsible for recommending annual performance awards and pay adjustments.
- Processing special contribution and honor awards for executives (management of the Presidential Rank Award Program, distinguished career, meritorious services, and exceptional service awards).
- Employee relations guidance and advice, benefits processing including retirement counseling, and offboarding.

Fiscal Year 2020 presented challenges ensuring the entire staff could work virtually and effectively during the COVID-19 pandemic. Despite the challenges of not being physically in the office, critical services such as a timely Performance Review Board (PRB), onboarding of new senior executives and senior leadership courses (SLC) courses continued through a virtual setting, which continued into FY 2021. CSEMO demonstrated flexibility and agility while continuing to provide the best service to the Department's most senior leaders.

### **Recent Accomplishments (CSEMO):**

Provided full management and resources support to senior executives, including:

- Conducted minimum qualifications review of 4,525 applications; issued 92 vacancy announcements via USAJOBS, which included 6 national announcements for Medical Center Director Positions in 33 locations; facilitated over 126 ERBs; and executed 98 hiring actions. The decrease in hiring actions from FY 2019 attributed to the COVID-19 pandemic and the mandated stay-at-home orders affecting most of the country. The breakdown of the 2020 actions included 50 SES appointments, 8 VLJs, 7 SLs, and 33 Title 38 Appointments. In addition, CSEMO transitioned all retirement and benefit estimates to VHA's Workforce Management and Consulting (WMC) Office. CSEMO processed over 1,700 HR actions, which include 55 incentive payments, 32 reassignments and 43 separations.
  - Increased the fill rate of the critical position of Medical Center Director (MCD) to over 95% by the end of FY 2020.

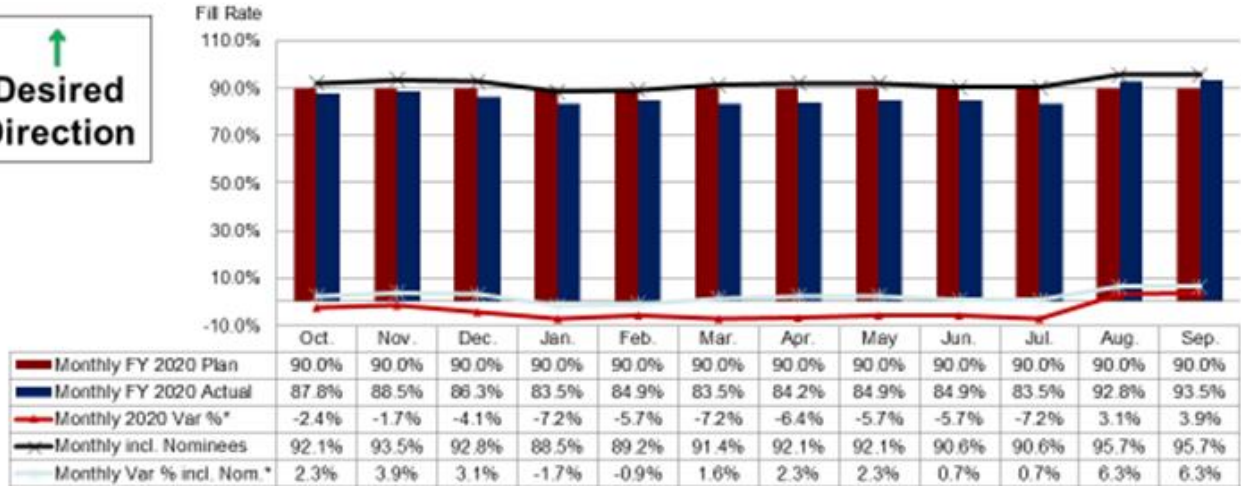


## Executive Fill Rate - Medical Center Directors (MCD)

Tracking these particular executive positions remains important given the reliance of the medical centers on the effective recruitment and hiring of critical leadership positions. A higher fill rate also provides greater likelihood of efficient and effective operations in VA's medical centers.

**The recent emphasis for executive hiring has remained oriented towards medical centers. Persistent focus brought significant results in September: 93.5% filled (130/139); 95.7% including nominees (133/139).**

Status	
Sep 2020 Actual Filled	93.5%
Incl. Nominees	95.7%
Variance Filled	Green
Incl. Nominees	Green



Data Through September 2020

HRA-86

\* Var % = ((actual - plan) / plan) x 100

OEI Variance Thresholds *	
Red / at risk	< -10%
Yellow / off track	< 0%
Green / on track	≥ 0%

3

- Conducted a Performance Review Board (PRB), providing final summary performance rating recommendations allowing to the Secretary to make informed, timely decisions to reward high- performing leaders and ensure meaningful distinctions in performance.
- Continued monthly Department ERB meetings chaired by the Under Secretary for Memorial Affairs and the Assistant Secretary for HRA/OSP providing general oversight of the management of the Department's executive resources functions.
- Submitted three Congressionally Mandated Reports: Reassignments in December 2019, Performance Awards in January 2020 and the second Reassignments report in June 2020.
- Executed over 95% of the allocated budget for FY 2020, despite the challenges of being remote for half the year.
- Conducted virtual and in-person orientation briefings to over 70 new appointees/hires.
- Conducted developmental programs (Senior Leadership Courses I and II) that provided insights into VA's mission, culture, organizations, and core values (ICARE); ethical leadership, standards, and expectations; potential disruptors;

techniques to develop strategic decision-making, critical-thinking, and leading change skills. In 2020, CSEMO conducted two SLC I classes for 50 executives (November 2019 & February 2020) and one SLC II class (December 2019) for 23 executives. Subsequent in-person SLC I and SLC II classes for 2020 were postponed due to VA halting all Non-Essential Travel due to COVID-19. Additionally, the SLC II for executive-level development is transferring from CSEMO to the HCSC to ensure executives beyond 18 months are allowed to attend the program, thereby removing the course from the onboarding program allowing more executives the opportunity to attend across the enterprise

- Provided executive coaching to over 180 executives who collectively completed almost 3,000 hours of coaching.
- Expanded outreach to senior executives through a Senior Executive Reading Group and implementing a First Friday Chat series. This is a new senior executive forum designed to discuss issues pertaining to newly appointed executives and monthly newsletter.

### **Office of the Chief Human Capital Officer (OCHCO)**

OCHCO provides governance, policy, and guidance with regard to recruitment, staffing, enterprise-wide HR systems, classification, compensation, leave, performance management, recognition, work-life and benefits, workforce and succession planning, employee, and labor relations, learning and development and alternative dispute resolution.

#### **Recent Accomplishments (OCHCO):**

- Due to the COVID-19 pandemic in March 2020, OCHCO began partnering with the OPM to recruit, retain, and recognize personnel and ensure continued coverage during the pandemic. OPM approved dual compensation waiver authority for VA to hire retirees to support staffing needs for 91 positions and direct hire authority to expedite hiring for 39 critical need positions.
- Improved time to hire in FY 2020 by greater use of hiring flexibilities and improvements to on-boarding--averaging 37 days from validation of hiring need to entry on duty (OPM's definition of time to hire) for COVID-19 hires. Between external hires and internal moves VA onboarded over 20,000 and several have taken as few as three days. VAs percentage of employees hired within the OPM 80-day timeframe has been near 70% in FY 2020, up from 49% in FY 2019.
- Received approval from OPM to waive the limitations on recruitment, relocation, and retention incentives during COVID-19 for specific title 5 and hybrid title 38 positions up to 50%.
- Developed a one-stop resource for employees and managers by disseminating 60 Bulletins in FY 2020 on a wide-range of human capital topics (e.g., telework, weather and safety leave, travel restrictions, retirement, CARES Act pay waivers) during COVID-19.
- Authored SECVA signed Delegation of Authorities on the exclusion of an employee, who is a health care provider or emergency responder, from application of the Emergency Paid Sick Leave Act, Division E and the Emergency Family and Medical Leave Expansion Act Division C of the Families First Coronavirus Response Act; and the authority to waive certain limitations on pay for work done in support of the response to COVID-19.

- Closed remaining recommendations to OIG’s report on Staffing and Vacancy Reporting under the MISSION Act of 2018 (Report Number 19-00266-141); as well as the report on Audit of VA’s Recruitment, Relocation, and Retention Incentives (Report Number 14-04578-371); and closed two recommendations to OIG’s report on Failures Implementing Aspects of the VA Accountability and Whistleblower Protection Act of 2017 (Report Number 18-04968-249).
- Authored a SECVA signed memorandum delegating the approval of special contribution awards, up to and including \$10,000, for employees in their respective administrations for contributions made for performing a special act or service in the public interest in connection with COVID-19.
- Crafted an ASHRA/OSP signed memorandum notifying Under Secretaries, Assistant Secretaries and Other Key Officials of the requirement to incorporate a critical element in the performance appraisal plans of all supervisors regarding whistleblower protections.
- In response to COVID-19-related travel restrictions, collaborated with VHA leadership and OGC to assess viability of videoconferencing technology to conduct Disciplinary Appeals Board (DAB) hearings. Upon approval, provided training and guidance to DAB members and technical advisors regarding conducting hearings using videoconferencing technology.
- Facilitated 14 training sessions and information webinars for HR and Office of General Counsel personnel on employee relations topics, such as DABs, VA’s Drug Free Workplace Program, and disciplinary authorities and requirements under the Accountability Act.
- Published 31 policies in FY 2020 including 12 title 38 and hybrid title 38 qualification standards to assist VHA in filling critical medical positions to meet the mission of providing care to the Nation’s Veterans—an increase of 33% from FY 2019.
- Conducted nine educational briefings and webinars for VA HR Professionals covering a myriad of title 5 and title 38 topics including: Selective Service System waivers and appeals, Staffing Variations, Veteran Pass Overs, Restricted Positions, Veterans Preference, Military Spouse Hiring Authority, Probationary/Trial Period, Details and Temporary Promotions, and Use of the USA Staffing Onboarding Tool.
- Promoted the hiring of Veterans to add to VA’s workforce, through a comprehensive outreach strategy that included collaboration with VA recruiters and outreach coordinators nationwide, hosting over 29,000 Veterans transitioning Service members, and military spouses at over 94 recruit military events providing employment-readiness/career coaching assistance.
- Continued Federal employment services support by responding to over 4,000 inquiries from Veterans, transitioning Service members, and military spouses seeking employment assistance from a combination of a shared mailbox, White House and Congressional Veteran inquiries, VA Executive leadership, and additional VA organizations.
- Completed a re-design of the Uniformed Services Employment and Reemployment Rights Act (USERRA) mandatory VA training course; developed and disseminated an OCHCO Bulletin and published an article on “VA Insider” on the USERRA Act for VA employees; presented a briefing to approximately 1,000 VA HR practitioners; and resolved 37 of the 39 USERRA cases obtained from the Employer Support of the Guard and Reserves resulting in 95% completion rate.
- Approved 86 Nurse Locality Pay System (LPS), 85 special salary rate schedules and eight dual compensation waivers.

- Reviewed 58 standardized position descriptions across the three administrations to ensure consistent application of OPM guidelines, classification consistency, and to address hiring challenges throughout VA.
- Designed, developed, and deployed HRSmart enhancements: Manpower Management, Workers without Compensation (WOC), and Manager Self Service (MSS).
- Successfully corrected over 54,000 records and made enhancements to the HRSmart Data Cleansing Tool to continue to ensure employee related data is correct, consistent, and useable. The new functionality assists with any errors or corruptions in the data, correcting or deleting the errors, or manually processing them as needed to prevent the error from recurring.
- Deployed an Employee Relations/Labor Relations Case Management Solution (ALERT-HR) to improve agency standardization, tracking, and reporting metrics. Issued Notice mandating use Department-wide.
- Enhanced the HRSmart, USA Staffing solution, and Service Desk to support COVID-19 activities for the VA. This included but not limited to:
  - Automated process for mass retention incentives in HRSmart.
  - Modified rules engine to ensure re-employed annuitants have the appropriate salary offset or the appropriate waiver on file indicating no offset required.
  - Developed a set of ad hoc reports that capture and report on COVID-19 staffing impacts and outcomes.
  - Updated the HRSmart USAS interface to append a COVID-19 indicator to position data in USAS for COVID-19 hires, hires including Fee Basis hires, with the appropriate not to exceed date.
  - Created USA Staffing workflows to facilitate execution of modified onboarding steps for pre-employment screening (drug testing, physicals, provider credentials) for COVID-19 hires.
- Developed a process map for COVID-19 service desk related tickets and expedited support that includes the super user population and the vendor launched agency wide training to ensure that taxpayer funded union time is used efficiently and authorized only when applicable. To date, over 165,000 employees have been trained on monitoring and documenting use of taxpayer funded union time.
- Conducted over 600 labor relations actions including 355 mid-term bargaining actions, 22 arbitrations and 55 national grievances and unfair labor practice charges.
- Conducted a compliance review of a sample of VHA's new appointments across all 18 VISNs. This review covered 1,800 records. OCHCO also conducted a human capital management assessment of NCA's HRC and has partnered with OPM to conduct human capital assessments of VBA Human Resources Centers and Delegated Examining Units.
- Issued 10 reports for reviews and assessments conducted from 2019 to 2020 and closed 15 reports and 182 required actions.
- Updated the human capital assessment report. The revised report implements the Human Capital Framework for evaluation of human capital programs. This tool streamlines human capital assessment reporting and captures information such as the number and types of compliance deficiencies found.
- Completed over 80% of FY 2020 planned milestones under the Human Capital Operating Plan with respect to improving recruitment and hiring and modernizing HRIT

systems. Completed over 60% of the FY 2020 milestones under improving employee performance and engagement.

### **Human Capital Services Center (HCSC):**

The HCSC added the VA Chief Learning Officer (CLO) support function to its business portfolio in FY 2020. The VA CLO is responsible for identifying and deploying talent development capabilities to enhance current and future Administration and Staff Office leadership development programs and talent development efforts. The VA CLO is also responsible for identifying ways to reduce duplication of leadership and talent development services and save VA financial resources. In that role, and through our partnerships with our customers, HCSC saved the Government salary time and funding.

### **Recent Accomplishments:**

- Through increased oversight by the CLO and a Department-wide Mandatory Training Review Committee, HCSC saved the following by not approving two proposed mandatory trainings this year:
  - For the Office of the Inspector General: a one-hour training savings of \$16,585,640 to the Government in salary cost avoidance through targeted training.
  - For Human Resources professionals: a one-hour official time training savings of \$22,114,187 to the Government in salary cost avoidance through targeted training.
- Partnering with VHA, discontinued a contract for an estimated savings of \$850,000 to VHA, with no additional cost for HCSC customers' services.
- Within existing staffing, added curated learning content by functional areas and for leadership development priorities including audio, video, live and recorded webinars and micro-learning content in our Talent Management System (TMS), which increased our engagement rates.

HCSC has increased VA's security and safety capabilities with the deployment of the Department-wide Emergency Alerting and Accountability System (EAAS), by registering nearly 600,000 employees, contractors, and affiliates working in and for VA across the country, in Puerto Rico, Hawaii, Alaska, the Philippines, Guam, and American Samoa from 40% in January to 90% in September. Additionally, HCSC decreased the per person cost in FY 2021 from \$19.68 to \$8.75, resulting in a 56% cost savings for our customers.

EAAS efficiencies included:

- Saved \$45,000 this year by using training webinars instead of on-site training courses.
- Saved VHA between \$25,000-\$55,000 (based on accounts) for each LiveProcess contract that is not renewed across VHA.
- Reduced costs across the Department by combining two systems, and no longer reimbursing OIT for residing on their cloud reduces the total cost for the Department an additional \$25 million over the life of the contract (five years).
- Reduced burden on organizations to manually enter any information, by allowing the EAAS team to enter or load registration information individually.

- Developing an internal TMS EAAS training program that will train, and track assigned Emergency Managers/EAAS Administrators, transitioning from a \$90,000 per year on-site training cost.
- Supported more than 600,000 active users across the Department in the VA's learning and employee development system of record: The Talent Management System (TMS 2.0), recording and reporting on more than 15.8 million training completions and delivering improved capabilities to support individual development planning, succession management, and career planning.
- Piloted a Succession Management Program that uses capabilities already available in the TMS 2.0 to identify high potential staff and the development opportunities that will prepare key talent for VA critical positions.
  - TMS 2.0 provides an integrated set of modules for employees, supervisors, and decision-makers to manage Succession, Development Plans, Competency Assessments, Career Planning, and Learning in one place.
  - To establish return on investment, HCSC tracks every leader in development programs in the tool and recorded in TMS (for the last five years).
  - This tool will also meet the commitments made to GAO to improve our Succession Planning.

Finally, in part to streamline operations, and respond to the COVID-19 virus realities, HCSC:

- Moved to a nearly 100% virtual organization and hired across the country: team members in all time zones where our customers are, and where the cost of living is lower;
- Hired more than 30 employees using leading onboarding and support processes, resulting in full staffing in April (57 FTE), and zero lost productivity time due to any gaps in information technology equipment assignments or security/background review processing time;
- Realigned internally and hired new staff to meet our highest priority requirements several times this year
  - Supported the full implementation of EAAS for all VA employees.; temporary surge to the EAAS help desk when the shutdown for COVID-19 response first began and expanding customer support directly to our TMS users and administrators (more than 14,000 across the country).
  - Adding staff to provide program-specific support for our Consolidated Internship Programs and hiring authorities: Pathways, Presidential Management Fellows, National Diversity Internship Program, and the Workforce Recruitment Program.

### **Office of Administration (OA)**

OA provides quality services to VA employees both nationally and for VA's Central Office (VACO). National program responsibilities include: VA Occupational Safety and Health and Workers' Compensation (WC) Programs, VA Transit Benefits Program, and Executive Correspondence. VACO responsibilities include management of leases for securing office space, minor construction projects and overall management of office space, transportation services including executive driving, shuttle bus, rideshare and subsidized parking, mailroom operations, personal property accountability, warehouse operations, facilities management services, building safety and emergency services, records management, health and wellness center, fitness center

operations, and audio/visual and media services. OA serves as the facility site manager for 1.8 million rentable square feet in ten Washington-area leased locations and manages special projects in support of the VACO community.

OA focuses on providing a corporate approach to promoting the safety and well-being of VA employees and visitors through awareness, injury/illness prevention, and programs in the workplace. Additionally, the VA workers' compensation program provides technical support and promotes best-practices workers' compensation case management processes. Activities include the advancement of VA's safety culture, dissemination of occupational health and safety information, and increased productivity and flexibility through mobile workforce strategies.

### **Recent Accomplishments (OA):**

- Supported a multitude of activities in VACO during the COVID-19 National Health Emergency to ensure the safety of employees, contractors, and visitors. This included creating the VACO Reopening Annex that outlined tasks to prepare all VACO buildings for the return of staff; procuring and distributing facial masks, gloves, hand sanitizers, sneeze guards and other barriers in support of social / physical distancing; procuring and posting signs and floor decals recommended by CDC; executing contracts for entry screening at VACO buildings and temperature scanning at 810 and 811 Vermont Avenue; leading efforts for enhanced cleaning in common and high-touch spaces; securing over 120 new parking spaces in local garages for those concerned about using mass transportation; compiled and provided key safety and workers' compensation guidance to Administrations and Staff Offices; sanitizing areas when a person tested positive or was exposed to someone that tested positive; and reconfiguring conference rooms to ensure 6-foot distancing was practiced.
- Led effort to improve safety across VA by reducing the injury and illness Lost Time Claim Rate (LTCR). For FY 2020, the LTCR was 0.86% as compared to the rate last year of 0.95%, which exceeds the Department of Labor (DOL) Federal Agency goal of 1%.
- Cultivated a VA enterprise-wide approach to the Workers' Compensation (WC) program through use of industry best-practices and governance from the VA WC Steering Committee. Improved WC case management and return-to-work outcomes of injured employees with work capacity as measured by the Department of Labor Return-to-Work Ratio (RTW). The RTW result for FY 2020 was 90%, which was one point short of the DOL goal, but the goal did not factor pandemic impacts.
- Reduced workers' compensation case backlog by aggressively returning employees with work-capacity back to work, saving VA \$5 million in chargeback costs from the costs in FY 2019.
- Provided workers' compensation centralized case management oversight and support to the Veterans Benefits Administration, Veterans Canteen Service and the Office of Information and Technology through a contract vehicle administered by OA.
- Provided crucial information and guidance to colleagues across the VA enterprise regarding workers' compensation practices and safety guidance from OSHA and CDC during the pandemic.
- Developed "distance learning" capability for workers' compensation specialists in the Administrations and Staff Offices, which provided over 2,000 employees with training

opportunities at a multitude of locations resulting in a significant reduction in potential travel costs across VA.

- Completed an aggressive energy conservation program that reduced energy consumption by nearly 25% from the baseline last year, exceeding the federal annual 2.5% reduction goal. In-line with Administration direction, continued managing the initiative, decreasing the need for utilities on evenings and weekends at 810 Vermont Avenue to further reduce energy consumption and annual expenses by over \$100,000.
- Led the effort to reduce VA's leased space footprint by returning 23,000 square feet of leased space to GSA in FY 2020. This will result in annual cost savings of approximately \$1.3 million.
- Developed a multi-phase VACO office space optimization plan to meet the following objectives: accommodate growth without growing the footprint; improve space quality and efficiency; improve organizational adjacencies; reduce rent payments; and, created a strategy to replace eight expiring leases. The design plans were completed for the National Cemetery Administration, Human Resources and Administration and the Office of General Counsel at 810 Vermont Avenue, Washington, D.C.
- Facilitated activities to consolidate and optimize the use of office space throughout the VACO campus. OA completed tasks to accommodate over 100 new staff from multiple organizations leveraging innovative space strategies and optimized furniture options. These strategies will result in annual lease cost avoidance of approximately \$800,000.
- Implemented advanced SharePoint sites for OA business lines using customized Workflows, Business Intelligence (BI), Predictive Analytics, and iDashboards to automate customer service requests and instantaneously collect and graph real-time performance metrics and customer feedback to inform decision making.
- Strengthened controls over accountable property and completed 100% of all physical inventories for over 57,000 line-items, valued at \$182 million for 46 VACO campus buildings accounting for over 97% of assets.
- Executed "depot level" just-in-time distribution operations in support of nationwide high-priority situations consisting of thousands of computers and other critical communications devices.
- To offset the limited inventory of executive transportation resources and the historical low ridership of VACO's shuttle bus, OA continued leading the pilot of the rideshare service Uber. The pilot began in December 2018 and has continued receiving positive reviews; benefits stated include saving time, efficiencies, ease of use and enhancing job performance. Based on pilot results, the shuttle bus service was reduced, which resulted in lowering expenses by more than \$150,000 annually.
- Managed health and wellness centers at five VACO facilities. Services include health checks, annual flu shots, fitness awareness and the Employee Assistance Program.
- Continued to provide program leadership for 26,000 VA transit benefit participants in field offices in 180 VA facilities and facilitated the annual recertification of over 5,000 transit benefit participants in the National Capital Region.
- Worked closely with transit benefit providers to reduce the annual Transit Benefit estimates based on reduced ridership during the pandemic based on maximum telework procedures. Reduced the FY 2021 obligation request by approximately 60% in the National Capital Region while continuing to monitor actual usage for the possibility of additional reductions.
- Collaborated with VA organizational representatives around the VACO campus to garner



interest in acquiring additional subsidized parking spaces for use upon returning to work. Added approximately 120 spaces and revised the allocation process by which organizations receive spaces. Working with the Financial Services Center (FSC) on further automation of the payroll deduction process.

- Institutionalized the Continuous Process Improvement (CPI) program during the past 24 months with a focus on cultural transformation and cost savings across HRA/OSP. OA proactively generated “leadership team building activities” for bi-monthly training sessions for managers and supervisors (LeaderShift). These efforts have enhanced the culture with a focus on organizational and personal growth, serving as the pivot for future development and growth opportunities. The CPI team also led efforts to automate the internal OA process for reviewing “concurrence” materials by leveraging VIEWS and streamlined the HRA child subsidy application process resulting in the total elimination of purchasing paper for application processing.
- The Office of Administration has assumed the leadership role for VA’s COVID-19 Coordination Team which is being formed in support of M-21-15 (COVID-19 Safe Federal Workplace: Agency Model Safety Principles).
- Coordinated the operational status of VACO facilities throughout the National Capitol Region (NCR) during the recent civil unrest in Washington DC. Worked with local law enforcement and provided daily situational updates to the VA Integrated Operations Center so they could inform affected employees to avoid areas of the city or not report to work. Coordinated with GSA on building damage and necessary repairs including several broken windows that needed to be replaced.

### **Office of Resolution Management, Diversity, and Inclusion (ORMDI)**

The Office of Resolution Management and the Office of Diversity, and Inclusion combined to form the Office of Resolution Management, Diversity, and Inclusion (ORMDI) to align with OMB M-17-22. The Resolution Management (RM), Diversity, and Inclusion (D&I) staff offices are discussed separately to ensure proper explanation of functions subjected to statutory oversight.

Department of Veterans Affairs (VA) is mandated to have an Equal Employment Opportunity program. RM ensures that VA is compliant with legal and statutory authorities to administer the Equal Employment Opportunity (EEO) programs. Through a network of program and district offices, RM delivers the following products and services to each VA organization: Harassment Prevention, Knowledge Management/Training, External Civil Rights Complaints Program, Reasonable Accommodation Services, Settlement Management Program and EEO Complaint Processing.

EEO complaint processing services include counseling, procedural determinations, and investigations. Harassment Prevention Program (HPP) services include developing policy, monitoring reports, training to prevent and appropriately respond to allegations of harassment. The External Civil Rights Complaint program focuses on resolving Veteran discrimination complaints under Title VI and IX. The Reasonable Accommodation program provides agency oversight of the reasonable accommodation process and procedures including policy compliance, proactive and preventative training and guidance under Title VII, the ADA, and section 501 of the Rehabilitation Act.

The RM office provides timely and fair resolution of EEO complaints for VA employees, applicants for employment, and former employees. EEO complaints processing resolves complaints at the lowest level possible; prepares reports on allegations of discrimination; and, monitors compliance with decisions when discrimination is found.

VA's diversity and inclusion program strives to ensure VA fairly represents the communities we serve. The Center for Creative Leadership found that diverse teams are more creative, perform better in problem-solving, and result in better decision-making than homogeneous teams. Similarly, the Diversity Research Network found that gender diversity results in more effective group processes in people-oriented performance environments. D&I works to foster a diverse workforce and inclusive environment that promotes equal opportunity through policy development, workforce analysis, outreach, retention, and education. This includes strategic planning and annual reporting on workforce diversity and inclusion; recruitment and retention strategies; EEO and diversity training and education; diversity-related communications; implementation of and annual reporting on relevant White House Initiatives; affirmative employment programs for the hiring, placement, and advancement of disabled Veterans, people with targeted disabilities, groups with less than expected participation rates; and special emphasis programming.

### **Recent Accomplishments (ORMDI):**

- Received 5,689 (FY 2020) pre-complaints in which 53% opted for ADR participation. As a result of the 51% resolution rate, VA-wide FY 2020 cost avoidance for EEO complaint processing: \$46.223 million and workplace disputes: \$26.520 million. Total cost avoidance: \$72.743 million.
- Resolved 86% of non-EEO workplace disputes using ADR.
- Implemented several changes to improve EEO complaint processing. Timeliness of investigations increased from 88% (FY 2019) to 93% (FY 2020).
- Administered both mandatory compliance training on Workplace Harassment and NoFEAR for 400,000 employees and training on EEO, Diversity, Inclusion and Conflict Management for 60,000 executives, managers, and supervisors. Continued to meet the sustained demand for diversity and inclusion training on numerous topics including Implicit Bias, Generational Differences, Gender Diversity, Diversity Tension, Cultural Competency, Workforce Diversity and Workplace Inclusion, and Bullying and Incivility Prevention. Developed learning content on seven diversity and inclusion topics that were delivered via live virtual broadcasts for VA's information technology workforce.
- Transitioned the remainder of the EEO Program Managers from VBA and NCA to ORMDI. Resolution Management (RM) FY 2020 Budget included eight Full-Time Equivalent Employees (FTEE's) reassigned EEO Program Managers as part of EEOC's Corrective Action Plan (CAP) to realign EEO Program Managers under RM. These included EEO Program Managers that were reassigned as follows: one from NCA, one from OIT and six from VBA. The FY 2021 Budget included 13 additional FTEE's from VBA that met the EEO guidance as part of the CAP. The remaining three EEO Program Managers will be transferred in FY 2022 and FY 2023 (2 FTEE's from VBA which will give RM a total of 23 FTE reassigned from VBA and 1 FTEE for the FY 2023 Budget).

- Strengthened the Community of Practice for Reasonable Accommodation and Personal Assistant Services and their governance frameworks by providing training and guidance to 2,899 managers/supervisors within VHA, VBA, NCA and VACO.
- Developed by the Diversity and Inclusion in VA Council (DIVAC), a three-year trend analysis on VA workforce and employment practices revealed consistent underrepresentation in minority groups in specific grades.
- Managed the agency-wide settlement program in collaboration with Office of General Counsel, the Administrations and Staff Offices.
- Developed the World Class Harassment Prevention and Recourse program using the Harassment Prevention Program in collaboration with VHA, VBA, NCA and HRA/OSP. The collaborative agency-wide program has developed intervention policies and procedures for veterans, employees, and contractors.
- Provided direct support for Veterans (including family members, care givers, fiduciaries, etc.), via the External Civil Rights Program, regarding claims or allegations of discrimination through its telephonic and written intake process. Additionally, the program routinely addressed and referred various grievances concerning Veterans benefits and healthcare to the White House VA Hotline, VHA Office of Patient Advocacy, VHA Office of Client Services and other appropriate points of contacts within each respective administration.
- Developed Applicant Flow data for Management Directive 715 (MD 715) and prepared and submitted VA's 2020 MD 715 Report to the Equal Employment Opportunity Commission in a timely manner. The purpose of the report is to provide an assessment of the Department's EEO program and prepare plans for corrective action.
- Promulgated the new VA Secretary's Equal Employment Opportunity, Diversity and Inclusion, No FEAR, and Whistleblower Rights and Protection Policy Statement summarizing VA's workplace rules of behavior and employee protections. The policy was signed by the VA Secretary on March 15, 2021.
- Administered the Diversity and Inclusion VA Council, the body supporting effective governance and implementing strategic initiatives as well as administered the Secretary of Veterans Affairs Awards Program honoring excellence in diversity and inclusion.
- Added voluntary, confidential LGBT self-identification to VA All Employee Survey to identify potential barriers to full inclusion of the LGBT community.
- Partnered with White House Initiative on Historically Black Colleges and Universities (HBCUs) to organize webinars and the 2020 Virtual National HBCU week and conference.
- Published VA's Diversity@Work newsletter, VA's primary communications vehicle for D&I currently distributed to over 10,000 internal subscribers including Senior Executives and Title 38 Executives.
- Executed timely implementation of Executive Order 13950, Combating Race and Sex Stereotyping.
- Successfully organized and led the 1st virtual Public Service Recognition Week (PSRW) May 6-10, 2020. Significant activities included the NFL salute to VA employees and 9942 lifetime hub visits.
- Established a VA Section 504 Command Center which serves as the focal point for Section 504 activities. VA Section 504 Command Center provides customizable solutions that increase communication access for people to interact with the VA.

- Enhanced EEO Technical Assistance Reviews (TARs) including on-site training and employee focus groups; invented the TAR Compliance Assessment Scorecard, an instrument that includes information on strengths, challenges, and recommendations for facilities' use towards attainment of model EEO program status.
- Began development of a Virtual Technical Assistance Reviews (V-TARs) to continue to assist facilities in striving to attain a model EEO program.

## **Office of Operations, Security and Preparedness**

The Office of Operations, Security and Preparedness (OSP) enhances the capability of the VA to continuously provide VA benefits and services in a safe environment that always protects people and assets.

OSP, in partnership with VA Administrations and Staff Offices, implements guidance and procedures to ensure the Department can continue to perform mission-essential functions under all circumstances across the spectrum of threat. OSP is responsible for policy and development of myriad training initiatives to ensure the safety and security of Veterans, volunteers, employees, and visitors at VA facilities. OSP integrates safety into VA operations and improves VA's readiness to execute emergency management operations in coordination with the Intelligence Community, Department of Defense contingency support, and Department of Homeland Security support missions under the National Response Framework and National Continuity Policy. Additionally, OSP trains and credentials VA police officers located at VA facilities, and establishes VA-wide law enforcement policy and program direction. OSP also manages the Department's compliance with numerous federal laws, regulations, OMB mandates, Homeland Security Presidential Directives ((HSPDs) (e.g., HSPD-5, 12, and 40)) and Presidential Policy Directives 8 and 40. Further, OSP is responsible for VA's implementation of the Insider Threat program. In addition, OSP enables mission delivery by providing oversight and governance for VA's identity, credential, and access management (ICAM) suite of activities and initiatives.

OSP supports the execution of VA's Business Strategy 4.1.6 (Force Protection, Mission Assurance, and Federal Disaster Response) and comprises four program offices and one support office. These offices provide oversight for emergency management and resilience, national security, identity credential and access management, resource management, and security, and law enforcement, police governance and accountability. The component offices within OSP serve the larger mission in the following ways:

### **Office of Identity, Credential, & Access Management (OICAM)**

OICAM contributes to a safe and secure environment by ensuring trust in VA's workforce and its affiliates by providing central coordination and oversight of personnel security and vetting; coordination, oversight, and governance for identity, credential, and access management; and enforcing VA compliance with Federal statutes, regulations, and policies.

OICAM is the Department's lead for personnel security, suitability, credentialing, as well as identity and access management requirements. OICAM is comprised of a Personnel Security & Credential Management (PSCM) Program Management Office (PMO), an Access & Identity

Management (AIM) PMO, and the Personnel Suitability Adjudication Center (PSAC). OICAM's oversight ensures alignment, accountability, and transparency of VA's personnel security, suitability, identity, access management, and credentialing programs. The OSP OICAM and the Veterans Experience Office (VEO) jointly work with the Office of Information Technology (OIT) to provide governance for identity and access management services provided by the Master Person Index (MPI). As required by OMB M-19-17, "Enabling Mission Delivery Through Improved Identity, Credential, and Access Management", OICAM and OIT jointly ensure that, the VA ICAM efforts ensure compliance with the Federal ICAM (FICAM) architecture and technology roadmap. OICAM also coordinates all activities required to implement the Trusted Workforce 2.0 initiative and the new policies and processes for continuous vetting. Specifically, OICAM:

- Supports VA's Business Strategy 4.1.6: Force Protection, Mission, and Federal Disaster Response through its delegated authority for Personnel Security and Suitability, ensuring compliance with title 5 CFR §§ 731 and 1400 through its establishment of policy and standards on Trusted Workforce 2.0 implementation and vetting across the Department ensuring Veterans, Veteran's families, department employees, contractors, volunteers, and affiliates are more secure with a fully vetted work force.
- Provides oversight of the implementation of the USAccess Personal Identity Verification (PIV) card issuance system to ensure compliance with Homeland Security Presidential Directive-12 (HSPD-12)
- Coordinates the prioritization of identity and access management requirements and provides governance for identity and access management services provided by the Master Person Index (MPI).
- In partnership with OIT, OICAM jointly provides overall management and oversight, as required by OMB M-19-17, "Enabling Mission Delivery Through Improved Identity, Credential, and Access Management", the implementation of VA ICAM governance to govern and coordinate all VA ICAM efforts to ensure compliance with the Federal ICAM (FICAM) architecture and technology roadmap.

### **Recent Accomplishments (OICAM):**

- Due to the COVID-19 pandemic, two contingency solutions were added to the PIV Card Management System (CMS): "My Digital ID Remote Certificate Renewal" to enable existing PIV cardholders to remotely renew expiring PIV Card certificates; and the "Temporary Alternate Card" (Temp Alt Card) to be issued to new hires who are unable to receive a PIV or non-PIV Card. HSPD-12 CM PMO successfully completed more than 11,200 Remote Certificate Renewals and issued more than 600 Temporary Alternative cards to VA employees and contractors supporting the continuity of operations.
- Fully implemented VA-CABS, an enterprise-wide solution, providing real-time background investigation data, status reporting, and tracking.
- Deployed over 200 Fingerprint Transmission Systems enterprise-wide that replaced outdated Windows XP machines transmitting fingerprints using a dial-up connection with new Windows 10 FTS, transmitting via Virtual Private Network (VPN). The new FTS machines provide a standardized configuration across the VA, as well as ensuring compliance with the Office of Personnel Management (OPM) and DCSA mandates.

- Managed the VA-wide transition from the current PIV Card Management System (CMS) to the General Services Administration's (GSA) USAccess shared service PIV card system, simultaneously with daily operations for badge issuance.
- Successfully executed Pilot of COR Toolkit (VA Onboarding Service for Contractors) where Contractors are tracked for compliance status as they are vetted, trained, and ultimately provisioned for a VA IT network account through the VA OIT IAM Onboarding Service integration with several supporting VA IT systems.
- Completed the Business Requirements Document (BRD) for the Identity Governance Administration (IGA) solution to support OIT implementation of technology for identity governance, ensuring VA users receive the access they need to do their jobs and access lifecycle is managed throughout their tenure.
- Developed and deployed COVID-19 Contingencies for Temporary Alternative Card and Legacy PIV Card Certificate Renewals.

### **Office of Emergency Management and Resilience (OEMR)**

OEMR oversees and unifies VA's National Security portfolio. This includes coordination, policy oversight, and management of: National Preparedness and Emergency Management; Continuity of Operations and Government; Classified National Security Information Management; Industrial Security, Insider Threat, Information Sharing and Management; Common Operating Picture management; Federal Intelligence Coordination; and Defensive Counterintelligence programs. In doing this, OEMR provides a resilient operational environment to support a swift return to normal operations following disruption through effective crisis and consequence management.

OEMR is also the Department lead for VA's Fourth Mission, serving as the command integration layer for leveraging VA capabilities to prepare for and manage emergencies at the Federal, state, local, or tribal levels. Specifically, OEMR:

- Manages preparedness and crisis/disaster response and recovery by serving as VA Coordinating Official, operating VA's Integrated Operations Center, and facilitating VA's Crisis Response Team (CRT).
- Protects VA sensitive information and operations, managing the Insider Threat and Defensive Counterintelligence (DCI) programs as required by Executive Order 13587 and the 2020 - 2022 National Counterintelligence Strategy.
- Serves as VA's Federal Intelligence Coordination Office (FICO) as established by Intelligence Community Directive 404; conducts predictive analyses and provides critical information to support Senior Leadership decision making through its Intelligence and Analysis program.
- Provides strategic guidance and assists interagency planning groups in ensuring VA's ability to support Federal response and recovery operations through its Preparedness program.
- Assures leadership and delivery of essential services internally and externally as an integrated enterprise during crisis through its Continuity of Operations and Continuity of Government programs.
- Maintains resilient and secure telecommunications systems and communication platforms essential to effectively manage crisis and continuity through its National Security/Emergency Preparedness Communications program.

## **Recent Accomplishments (OEMR):**

- Produced 200+ daily situation reports and numerous geospatial products, ensuring senior leader situational awareness. The VA Integrated Operations Center hosts recurring COVID-19 VA Crisis Action Team conference calls for VA's executive leadership, briefing on VA's national level current state, threat analyses, initiatives, critical information requirements, inter-agency activities and OMB guidance.
- Executed a \$500,000 contract to replace the VA Integrated Operations Center Knowledge Wall. The new technology will ensure continuation of the VAIOC mission as the department's national hub for a common operating picture, information fusion, information dissemination, emergency management planning, and communications to facilitate shared situational awareness and operations coordination.
- Initiated development of two new Alternate Operating Locations (AOLs) in accordance with Presidential Policy Directive 40 (PPD 40) and Federal Continuity Directive 1 (FCD-1) to provide the Department, the Secretary, and Out of Area Successors (OASs), with the facilities and secure communications capabilities to ensure VA's continuous operations during emergencies, including pandemics.
- Developed VA's Continuity of Operations Plan that assured a telework capability, resulting in leadership and delivery of essential services internally and externally as an integrated enterprise during a National Pandemic.
- Created a National Telecommunication Administration Agenda tracking system for the Department.
- Created the Department's emergency response for signal interruption.
- Approved for acquisition of 30 dedicated geospatial information system and knowledge management specialty host laptops, enabling VAIOC COVID-19 crisis operations.
- Coordinated the Department's outreach efforts for Pacific Islands Campaign.

## **Office of Security & Law Enforcement (OS&LE)**

OSLE, via Police Services, develops policies, procedures and standards governing VA's infrastructure protection, personal security, and law enforcement programs. These enable the protection of Veterans, visitors, and staff at VA facilities. OSLE partners with several Federal law enforcement agencies to maximize information exchange, training, planning and policy development. OSLE also has Special Agents classified as criminal investigators who, as specified by Title 5, section 5545a, receive Law Enforcement Availability Pay (LEAP).

## **Police Services:**

- OSLE Police Services includes four divisions: Law Enforcement Oversight & Criminal Investigations Division, Executive Protection Division, Infrastructure Protection Division, and the Criminal Predictive Analysis Division. Collectively, these divisions:
  - Conduct program inspections of 144 Police units around the nation and criminal investigations of serious incidents, which occur on VA- controlled property.
  - Provide personal protection for the Secretary and Deputy Secretary.
  - Develop Infrastructure Protection policy; interface with Federal Protective Services for Campus Security and represent VA on Federal steering committees.

- Conduct criminal analyses to identify and track trends to assure proactive prevention programs, and support VA's Integrated Operations Center (IOC) in providing enterprise- wide support.

### **Recent Accomplishments (OSLE):**

- Successfully conducted 34 Police program inspections in FY 2020, enhancing the safety and security for Veterans, visitors, employees, and patients at VA facilities across the Nation.
- Published over 200 threat analyses that ensured the personal safety of the Secretary and Deputy Secretary during their business travels.
- Conducted 15 criminal investigations in FY 2020 to ensure allegations of misconduct and criminal offenses by police officers were properly adjudicated.
- Obtained approval for the replacement of obsolete and failing radio systems. The next-generation system will support distributed operations in pandemic-like environments where secure communications are needed and will connect to interagency partners.

### **Office of Chief of Police (OCOP)**

Authorized in February 2020, OCOP will provide accountability and oversight of the VA enterprise police program to increase safety and security, maintain law and order, and protect the personnel and property of the Department. OCOP will facilitate the standardization of police operations enterprise wide, facilitate communications between the field level police services and headquarters; aid in compliance with police program oversight requirements; provide advice and counsel to senior VHA, NCA and VBA leaders; and collect, analyze and disseminate data to drive enhanced security measures. This Veteran Centric approach will enhance the protection of Veterans, visitors, and staff at VA facilities. OCOP will partner with Federal law enforcement agencies and Department administrations to maximize information exchange, training, planning and policy development. Two sub organizations comprise OCOP - Police Operations (PO) and the Law Enforcement Training Center (LETC). The LETC provides basic and sustainment training for more than 3,800 VA Police Officers. In addition, the LETC provides the US Air Force with a customized initial entry police academy for their Civilian Defenders. (Refer to the Revolving Fund Board/Franchise Fund Office Consolidated Business Plans for budget information on the Law Enforcement Training Center (LETC)). OCOP also has Special Agents classified as criminal investigators who, as specified by Title 5, section 5545a, receive Law Enforcement Availability Pay (LEAP).

### **Police Operations (PO):**

- OCOP PO is organizationally structured within the geographical Little Rock, AR region. Collectively, the PO will:
  - Provide and determine the future program direction to approximately 3,800 VA police personnel at VA facilities.
  - Oversee the development and issuance of specific operational procedures and techniques for VA police officers nation-wide.
  - Oversee strategic execution of VA's Law enforcement operational portfolio across all locations that fall under the purview of the Secretary IAW those authorities established by Title 38.



- Develop dynamic recruitment program recommendations for selecting police officers that ensure that prospective officers meet all prerequisites prior to being selected as VA police recruits.
- Ensure ongoing measurement of crime trends/events at VA facilities through reviews of daily and monthly reports of crimes received through formal reporting systems.
- Develop and maintains a multifaceted vulnerability assessment capability that will identify potential conventional and asymmetric threats to the VA, identify both procedural and programmatic challenges, and maintain a prioritized action plan for mitigating/eliminating those threats.
- Oversee and ensure appropriate identification and management of VA law enforcement resources required to perform all aspects of a world class law enforcement program.

### **Recent Accomplishments (OCOP):**

- OCOP was authorized in February 2020.
- Recruited and hired the Executive Director, OCOP.
- Developed an approved organizational chart, created/classified Position Descriptions associated with the new organization.
- Established the VA Police Governance Charter.
- Began collaborative efforts with internal/external customers through various committees to review, edit and amend existing policies/procedures to drive 21st Century, Veteran Centric policing, enterprise wide.

### **Office of Resource Management (ORM)**

The Office of Resource Management (ORM) provides cohesive business services, and mission support for resource prioritization & optimization, predictive analysis, visibility of resource forecasting, data analytics, program management associated with ensuring human resources management, financial & fiscal management, administrative & logistical management, and support service activities across OSP in accordance with the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and the Office of Management and Budget (OMB) Circular A-123. ORM oversees compliance with associated VA policies, directives, and internal controls required to ensure regulatory compliance and risk management. ORM assures the maintenance of accurate records to support VA's annual Statement of Assurance requirements, compliance with federal laws and regulations, and VA policy. ORM also partners with VA's Office of Management to execute the Financial Management Business Transformation (FMBT) initiative, which aligns with OMB memorandum M-13-08, Improving Financial Systems through Shared Services.

### **Recent Accomplishments (ORM):**

- Managed business operations to ensure capabilities and initiatives to support the FY 2021 President's Budget Submission and formulation of the FY 2022 OSP Budget.
- Provided Resource Management Services required by VA and Federal policies, ensuring oversight of all funding sources for both budget authority (BA) and reimbursable authority (RA).

- Managed and provided mission support in accordance with VA and Federal policies to comply with organizational business support operations. This includes Financial & Fiscal Management, Administrative, and Logistics Management.
- Established the financial structure and accounting lines for the new Office of the Chief of Police.
- Executed the implementation and coordination of the COVID-19 supplemental appropriation for OSP obligations.
- Provided governance as mandated by OMB Circular A-123 to support Organizational Resource Management, Risk Management, and Internal Controls Assessments.
- Led the project management effort, via contract award, of NSA approved high security level shredders to facilitate OSP's classified, security and law enforcement missions.

**Office of Human Resources and Administration /  
Operations, Security, and Preparedness  
Employment and Obligation Classification**  
(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	310	525	338	340	2
Field	373	351	428	489	61
<b>Total, FTE</b>	<b>683</b>	<b>876</b>	<b>766</b>	<b>829</b>	<b>63</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$43,284	\$51,021	\$44,267	\$46,338	\$2,070
Personnel Benefits	14,229	14,529	15,127	16,294	1,167
Travel	887	1,868	909	918	8
Transportation of Things	-	26	-	-	-
Rents, Comm. & Utilities	17,886	19,832	18,067	21,428	3,361
Printing	36	45	92	94	2
Other Services	16,360	21,274	18,232	17,982	-251
Supplies & Materials	235	2,105	307	311	4
Equipment	283	32	191	190	-0
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	107	12	90	92	2
<b>Subtotal, Direct Obligations</b>	<b>\$93,308</b>	<b>\$110,744</b>	<b>\$97,282</b>	<b>\$103,646</b>	<b>\$6,364</b>
<b>Offsetting Collections Obligations</b>	<b>153,054</b>	<b>207,342</b>	<b>192,738</b>	<b>136,956</b>	<b>-55,782</b>
<b>Total, Obligations</b>	<b>\$246,362</b>	<b>\$318,086</b>	<b>\$290,020</b>	<b>\$240,602</b>	<b>-\$49,418</b>

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## Office of Enterprise Integration

### Mission Statement

The Office of Enterprise Integration (OEI) leads enterprise transformation and continuous improvement of the Veteran and employee experience through effective integration of people, processes, technology, and organizational management capabilities. OEI supports the Office of the Secretary, Administrations and Staff Offices specifically in the areas of enterprise governance; strategic planning; policy management and analysis; business integration; integrated policy and program management; performance and risk management; data analytics; and data governance.

### Summary of Budget Request

In 2022, OEI requests \$33.6 million in appropriations to support 106 FTE, and reimbursement authority of \$4 million to support its mission requirements.

### Office of Enterprise Integration Budgetary Resources

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$0	\$0	\$0	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	28,416	30,081	28,652	33,636
Offsetting Collections	5,412	54,850	2,529	4,000
<b>Total, Budgetary Resources</b>	<b>\$33,828</b>	<b>\$84,931</b>	<b>\$31,181</b>	<b>\$37,636</b>
<b>Total Obligations</b>	<b>32,989</b>	<b>84,931</b>	<b>31,181</b>	<b>37,636</b>
<b>Year End Balances</b>	<b>\$839</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Office of Enterprise Integration Summary of Budget Request

(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of the AS/PDAS	\$1,890	\$1,939	\$1,939	\$1,939
Office of Policy and Interagency Collaboration	2,550	2,650	2,650	2,650
Office of Data Governance and Analytics	7,600	7,625	7,625	10,780
Office of Planning and Performance Management	8,087	10,135	9,938	10,535
Office of Modernization	7,450	7,732	6,500	-
Office of Enterprise Program Integration	-	-	-	7,732
<b>Subtotal, Direct Obligations</b>	<b>\$27,577</b>	<b>\$30,081</b>	<b>\$28,652</b>	<b>\$33,636</b>
<b>Offsetting Collections</b>				
Enterprise Data Contracts	\$4,474	\$4,000	\$2,144	\$4,000
Veterans Innovation Center	938	50,850	385	-
<b>Subtotal, Offsetting Collection</b>	<b>\$5,412</b>	<b>\$54,850</b>	<b>\$2,529</b>	<b>\$4,000</b>
<b>Total, Obligations</b>	<b>\$32,989</b>	<b>\$84,931</b>	<b>\$31,181</b>	<b>\$37,636</b>

## Office of Enterprise Integration Summary of FTE Request

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of the AS/PDAS	9	9	9	9
Office of Policy and Interagency Collaboration	12	14	12	13
Office of Data Governance and Analytics	25	30	25	30
Office of Planning and Performance Management	27	32	27	29
Office of Modernization	18	25	18	25
<b>Subtotal, Direct FTE</b>	<b>91</b>	<b>110</b>	<b>91</b>	<b>106</b>
<b>Offsetting Collections</b>				
Veterans Innovation Center	7	12	3	0
<b>Subtotal, Offsetting FTE</b>	<b>7</b>	<b>12</b>	<b>3</b>	<b>0</b>
<b>Total, FTE</b>	<b>98</b>	<b>122</b>	<b>94</b>	<b>106</b>

### Program Description and Accomplishments

OEI supports VA's mission by integrating the planning, policy, performance management, and program management functions of the Department, and planning and executing the Department's major transformation and modernization effort in support of the Secretary's priorities.

### Office of Policy and Interagency Collaboration (OPIC)

OPIC leads and manages the Department's policy management process and provides policy analysis to the Secretary and VA senior leadership. OPIC oversees VA's policy research and collaboration activities with strategic partners (other Federal agencies, academia, think tanks, and ally countries) and serves as the VA lead on issues pertaining to interagency collaboration and coordination with Federal partners (DoD, SSA, HUD, DOL, Commerce, etc.). OPIC carries out the following functions and activities:

- Manages enterprise directives, handbooks, regulations, delegation authority, etc.
- Fosters collaborative Veteran-centric policy research within VA and across Federal agencies, academic institutions, and think tanks to enhance Veteran policy research and analysis.

- Manages the day-to-day operations of VA's Institute of Medicine Task Force.
- Publishes and maintains the Department's Functional Organization Manual (FOM).
- Facilitates the development and integration of joint policies and programs between VA and Department of Defense (DoD) and other agencies including the development of VA-DoD Joint Strategic Plan (JSP) and Annual Report to Congress.
- Provides oversight for the coordination and implementation of joint VA-DoD programs and policies as they relate to activities of the VA-DoD Joint Executive Committee (JEC).
- Coordinates and facilitates a Department-wide perspective in all VA-DoD collaboration activities and initiatives.

### **Office of Data Governance and Analytics (DGA)**

DGA provides data management, analysis, and business intelligence capabilities to inform VA-wide decision making. DGA acts as an authoritative clearinghouse for the collection, analysis, and dissemination of statistics about Veterans and VA programs. It also provides predictive analysis, statistical services, and data-driven forecasting capabilities to inform decision-making and support evidence-based policymaking in the Department. DGA carries out the following functions and activities:

- Conducts data analytic services and products to support VA planning, policy analysis, financial reporting, and decision-making activities.
- Manages the collection and dissemination of official Veteran statistics for the Department via the VA website and the government-wide Open Data web portal.
- Leads the Department's effort to implement and manage VA's data governance and data stewardship programs and open data initiatives.
- Matures and maintains the VA's authoritative business architecture and business reference model to inform and support data architecture, system architecture, planning, resources management, and business operations in the Department.
- Coordinates and manages the Department's Paperwork Reduction Act/Information Collection Request (PRA/ICR) process.

### **Office of Planning and Performance Management (OPPM)**

OPPM leads the Department's strategic future foresight and assessment; coordinates business strategy development; integrates mission requirements; conducts forward-thinking strategic planning to address long-range issues; and ensures integration of business requirements and alignment of the planning and execution activities of the Department's programs and initiatives. OPPM is also responsible for managing VA's enterprise risk management framework that provides the necessary governance, communications, training, processes, and tools to effectively identify, assess, address, and monitor risks, enabling leadership to make informed decisions and focus priorities that maximize resources. OPPM enables VA's senior leaders to maintain a consolidated, timely, and robust understanding of known and emerging risks facing the Department, and how they are being addressed. OPPM carries out the following functions and activities:



- Orchestrates and manages the Department's Strategic Operating Model/Manage for Results process to drive management activities and integration across the Department.
- Fosters collaborative strategic studies within VA and across federal agencies, academic institutions, and think tanks, to include leading the development of the Federal Foresight Community of Interest.
- Manages the development, refinement, and execution of the Department's Quadrennial Strategic Planning Process. Chairs the Department's cross-organizational Strategic Planning Team which coordinates the development and oversees execution of the Department's strategic plan.
- Develops bi-annual Department Agency Priority Goals (APGs) in coordination with relevant VA stakeholders.
- Responsible for the governance and management necessary to identify, evaluate, mitigate, and monitor the VA's operational and strategic risk as required by OMB Circular A-123.
- Manages and organizes Department's performance indicators, coordinating departmental performance within VA plans and strategies.
- Leads and coordinates VA's implementation of the Foundations for Evidence-Based Policymaking Act of 2018.

### **Office of Enterprise Program Integration (EPI)**

At the direction of the Secretary, the Office of Modernization was transitioned to the Office of Enterprise Program Integration (EPI). This new office was established to strengthen the operational capabilities to execute transformation initiatives across the Administrations and Staff Offices and this Office serves as VA's enterprise integrator. EPI manages breakthrough transformation initiatives within the Department and is responsible for leading enterprise-wide business transformation integration strategy and implementation. EPI serves as VA's business transformation integrator for cross-VA priority initiatives such as the Electronic Health Record Modernization (EHRM), VA Logistics Redesign (Defense Military Logistics Standard Support/LogiCole), and Financial Management Business Transformation (FMBT). Specifically, EPI synchronizes the scope, schedules, costs and manages inter-dependencies, risks, and program transition points for these priority initiatives.

### **Recent Accomplishments:**

In 2020, organizational components constituting OEI achieved the following:

- Provided overall communications, strategic planning, and program management support for the implementation of the MISSION Act.
- Led the planning and implementation of Foundations for Evidence-Based Policymaking Act requirements.
- Produced more than 100 statistical and analytic products on Veteran demographics and socioeconomics and utilization of VA benefits and services for internal and external

customers. These include: the Profile of Veterans, Profile of Unique Veteran Users of VA Benefits and Services, Profiles of Veterans by Period of Service (Vietnam, Pre-9/11 and Post 9/11), Profile of Veterans in Poverty; Minority Veteran Report, Quarterly VA Statistical Cards, Veteran population in Urban and Rural Areas, Geographic Distribution of VA Expenditures by County, and statistical summaries for every State and Territory.

- Led the VA Data Governance Council (DGC) to establish departmental guidance for the selection and implementation of authoritative data sources, ensuring quality of information disseminated by VA, and established data standards for the Department.
- Incorporated over 25 additional business functions in VA's Business Reference Model to enable linkage between enterprise strategic goals and objectives to investments, programs, processes, and outcomes.
- Improved the Enterprise Risk Management (ERM) framework and governance model to align with OMB Circular A-123 and apply risk management consistently throughout the Department; included the creation of a senior leader governance board, and staff office working groups.
- Matured the Enterprise Risk Profile for the Department and identified risk trends that may affect business lines or program management activities, including specific high-impact risks for the Secretary.
- Enhanced the Enterprise Directive Management System (EDMS) in order to ensure VA's policy documents (directives, handbooks, and notices) are up to date and accessible across the Department.
- Updated and certified over 45 VA policy directives and handbooks.
- Matured and expanded a common data environment that enables business analytics and performance improvement planning.
- Synchronized planning and program management activities for the new electronic health record, supply chain, and finance management systems.
- Led a cross-VA integration project team to develop and pilot a Common Operations Picture (COP) platform to for use by the Veterans Health Administration (VHA) to track and analyze COVID-19 outbreak areas and make timely decisions with insight into supply chain capacity, hospital inventory, social service utilization, and lab diagnostics.

## **Budget Highlights**

The 2022 request includes \$37.6 million in total planned obligations and 106 FTE necessary for OEI to continue providing comprehensive analysis to the Secretary and senior leaders and to expand existing capabilities to support effective and efficient delivery of benefits and services to our Nation's Veterans and eligible beneficiaries. The highlights of the budget request include:

- \$1.8 million in contract dollars and a total of 29 FTE to support the **Office of Planning and Performance Management (OPPM)** to develop business strategy, establish mission requirements, conduct strategic planning, integrate risk management strategies to achieve

agency goals, mature VA's business architecture modeling, and develop concept analysis capabilities to identify long-range issues and ensure integration of business solutions across the Department. OPPM resources will also be used to lead and coordinate VA's implementation of the Program Management Improvement Accountability Act and the Foundations for Evidence-Based Policymaking Act, including the creation of two evaluation analyst positions in the Office of Enterprise Integration to support the Evaluation Officer and other, cross-agency evaluation activities.

- \$3.0 million in contract dollars and a total of 25 FTE will support the **Office of Enterprise Program Integration** to lead and manage transformation initiatives across the Department.
- \$4.2 million in contract dollars and a total of 30 FTE will support the **Office of Data Governance and Analytics** to provide Veteran statistics, data analysis, and predictive modeling to inform VA-wide decision making. This effort continues to support VA's integrated strategy for Department-wide data-driven decision management capability. This includes funding for maintaining and improving an Integrated Enterprise Architecture which supports major systems implementation planning for systems such as FMBT and EHRM.

Total resources in the 2022 request include \$4 million in reimbursable authority to support three contracts supporting VA-wide data collection, data analytics, enterprise data governance, and data management efforts.

**Office of Enterprise Integration**  
**Employment and Obligation Classification**

(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	2022 - 2011 Increase/ Decrease
<b>Full Time Equivalent (FTE)</b>					
Central Office	98	122	94	106	12
Field	0	0	0	0	0
<b>Total , FTE</b>	<b>98</b>	<b>122</b>	<b>94</b>	<b>106</b>	<b>12</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$12,552	\$15,747	\$13,120	\$15,958	\$2,838
Personnel Benefits	4,157	5,222	4,658	5,610	952
Travel	39	124	50	125	75
Transportation of Things	-	-	-	-	-
Rents, Comm. & Utilities	-	-	-	-	-
Printing	10	10	5	10	5
Other Services	10,801	8,936	10,809	11,923	1,114
Supplies & Materials	18	42	10	10	-
Equipment	-	-	-	-	-
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$27,577</b>	<b>\$30,081</b>	<b>\$28,652</b>	<b>\$33,636</b>	<b>\$4,984</b>
<b>Offsetting Collections Obligations</b>	<b>5,412</b>	<b>54,850</b>	<b>2,529</b>	<b>4,000</b>	<b>1,471</b>
<b>Total, Obligations</b>	<b>\$32,989</b>	<b>\$84,931</b>	<b>\$31,181</b>	<b>\$37,636</b>	<b>\$6,455</b>



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## *Public and Intergovernmental Affairs*

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### **Mission**

The Office of Public and Intergovernmental Affairs (OPIA) helps build and maintain public confidence in the Department of Veterans Affairs by positively reinforcing its commitment and readiness to serve America's Veterans of all generations. OPIA accomplishes this by developing, routinely updating and communicating the Department's key messages to many audiences through media relations, public affairs, intergovernmental affairs, outreach, and Veteran engagement to reach Veterans and their families, other beneficiaries, and other stakeholders. Under VA's modernization effort, OPIA is designated as the enterprise policy and functional coordinator of internal employee and external communications to ensure consistent messaging and to be the unified voice of the department.

In 2022, OPIA is requesting budget authority of \$14.4 million for 67 FTE to support its mission. The request in 2022 will allow VA to:

- Improve its public affairs and outreach capabilities and training.
- Ensure VA's position and key messages are received by Veterans, their family members, and the public.
- Ensure more Veterans access the benefits and services they have earned.
- Improve VA's digital media engagement capabilities and impact.
- Improve partnerships with state Veterans Affairs directors.
- Improve VA's reputation among veterans, key stakeholders, and the American people.
- Improve partnerships with state governors, county leaders, state legislators, mayors and other state and local leaders; and
- Improve outreach and partnerships with tribal governments.

# Office of Public and Intergovernmental Affairs

## Budgetary Resources

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$3,415	\$0	\$2,800	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	12,663	15,931	13,500	14,435
Offsetting Collections	15,222	7,389	17,156	16,402
<b>Total, Budgetary Resources</b>	<b>\$31,300</b>	<b>\$23,320</b>	<b>\$33,459</b>	<b>\$30,837</b>
<b>Total Obligations</b>	<b>31,149</b>	<b>23,320</b>	<b>33,459</b>	<b>30,837</b>
<b>Year End Balances</b>	<b>\$151</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Office of Public and Intergovernmental Affairs**  
**Summary of Budget Request**  
(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Assistant Secretary	\$5,268	\$4,611	\$4,721	\$5,242
Office of Public Affairs	5,087	5,237	5,401	4,953
Office of Intergovernmental Affairs	2,954	3,106	3,194	2,627
Office of Internal Communications	638	962	962	967
Office of National Veteran Outreach	789	803	803	-
Office of Executive Speechwriters	616	623	623	646
Homeless Veteran Outreach and Strategic Communications Office	575	589	596	-
<b>Subtotal, Direct Obligations</b>	<b>\$15,927</b>	<b>\$15,931</b>	<b>\$16,300</b>	<b>\$14,435</b>
<b>Offsetting Collections</b>				
Enterprise E-mail Service	\$1,602	\$1,573	\$2,456	\$2,529
Media Clips Contract	56	57	57	408
VA Branding Contract	12,854	5,149	14,042	13,465
Homeless Veteran Outreach Contract	710	610	601	-
<b>Subtotal, Offsetting Collection</b>	<b>\$15,222</b>	<b>\$7,389</b>	<b>\$17,156</b>	<b>\$16,402</b>
<b>Total, Obligations</b>	<b>\$31,149</b>	<b>\$23,320</b>	<b>\$33,456</b>	<b>\$30,837</b>

## Office of Public and Intergovernmental Affairs

### Summary of FTE Request

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Assistant Secretary	7	9	7	7
Office of Public Affairs	43	50	43	39
Office of Intergovernmental Affairs	17	18	18	13
Office of Internal Communications	4	6	4	4
Office of National Veteran Outreach	4	4	4	-
Office of Executive Speechwriters	4	4	4	4
Homeless Veteran Outreach and Strategic Communications Office	4	4	4	-
<b>Subtotal, Direct FTE</b>	<b>83</b>	<b>95</b>	<b>84</b>	<b>67</b>
<b>Offsetting Collections</b>				
<b>Subtotal, Offsetting FTE</b>				

#### Program Description and Accomplishments

The Office of the Assistant Secretary provides executive oversight, management and direction to OPIA. The Assistant Secretary oversees VA’s communications and outreach programs including media relations, internal communications and media products, social media and intergovernmental affairs. The Office of the Assistant Secretary includes the Principal Deputy Assistant Secretary, the Chief of Staff, Special Assistant, Executive Assistant, and other program analysts and assistants. The Principal Deputy Assistant Secretary and the Chief of Staff report directly to the Assistant Secretary.

#### Deputy Assistant Secretary for Public Affairs

The Deputy Assistant Secretary of Public Affairs is responsible for coordinating and orchestrating the release of external public affairs communication and information for VA. The primary mission of this Office is to coordinate with VA’s three Administrations (VBA, VHA and NCA) and other offices throughout VA to ensure Veterans and their families, other beneficiaries, and stakeholders receive accurate and timely information about Department benefits and programs as well as information on many other topics using all forms of traditional and new media.



## **Executive Director for Strategic Planning and Veteran Outreach**

The Executive Director for Strategic Planning and Veteran Outreach is the senior-ranking federal employee within OPIA. As such, the Executive Director serves as the Assistant Secretary's senior advisor on matters pertaining to development of department-wide communications policy, advertising, strategic communications, and is a key conduit with other OPIA Federal employees. The Executive Director for Strategic Planning and Veteran Outreach is also responsible for providing oversight, guidance and direction to the Office of National Veterans Outreach, the Office of Internal Communications, the Office of the Executive Speechwriters and the Homeless Veterans Outreach and Strategic Communications Office. The Executive Director for Strategic Planning and Veteran Outreach serves as OPIA senior representative on all VA senior executive boards and management reviews.

## **National Veterans Outreach Office**

The National Veterans Outreach Office's (NVO's) mission is to assess, coordinate, plan and report outreach activities for VA. The office develops outreach plans and web resources to assist VA administrations and program offices' outreach efforts. The office plans and executes the department's participation in the national Memorial and Veterans Day observances. The office also provides project management of significant VA marketing and advertising contracts, all contracts specify measurable results for the outreach campaign. In addition, this office is responsible by law, for preparing the biennial outreach report to Congress on the outcomes of VA outreach programs.

## **National Veterans Outreach Office 2020 accomplishments**

- Sustained an Outreach Workgroup made up of leads responsible for Outreach activities in each of VA's Administrations as well as representatives from various program offices (Center for Minority Veterans, Homeless Program, Women Veterans, etc.). Held bi-weekly meetings to assist with event coordination between the Outreach Programs.
- Prepared and distributed the 2020 Federal Benefits Handbook for Veterans, Dependents and Survivors.
- Planned and conducted bi-monthly Veteran Service Organization (VSO) communicators updates and briefings resulting in VA benefit and news information appearing in more than 15 large VSO publications. Most significantly outreach events were sustained during the COVID-19 pandemic sharing critical medical access news and guidance. This includes congressionally chartered VSO and Veterans specific private non-profit organizations.
- Conducted regular digital outreach events on social media in partnership with Veterans Service Organizations (VSOs) and non-government organizations reaching nearly 500 thousand Veterans, educating them on VA benefits and services and providing answers to their questions. The Outreach office teamed with the digital media engagement office to sustain the effort.

- Planned and conducted all coordination with the Department of Defense, VSOs, the White House and within VA for all participation at the National Veterans Day Observance held at Arlington National Cemetery; also planned VA participation for Memorial Day as co-host to the Department of Defense. Established more than 40 regional site programs for Veterans and families to attend nationally. Provided direct support to the Secretary for administrative management of the National Veterans Day Committee program.
- Planned and executed VA participation in the Department of Defense led 50th Anniversary of the Vietnam War Commemoration Program, resulting in more than 350 events scheduled. Due to the COVID-19 pandemic, events were postponed; however, the office assisted with increasing digital outreach to support the shipping of more than 5,000 lapel pins to Vietnam Veterans. Planning remains to actively generate local and regional news on future 2020 events.
- Planned and executed VA outreach participation in the annual Association of the U.S. Army National Meeting. VA outreach leads engaged in more than 2,500 Veterans and service members on VA benefits and services with an estimated 10 percent increase in applications across the service lines compared to the prior year.
- Planned and executed VA outreach participation in the annual Association of the U.S. Army National Meeting. VA outreach leads engaged in more than 2,500 Veterans and service members on VA benefits and services with an estimated 10 percent increase in applications across the service lines compared to the prior year.
- Completed and distributed the 2018-2019 Biennial Outreach Report to Congress.

### **Homeless Veterans Outreach and Strategic Communications Office**

The Homeless Veterans Outreach and Strategic Communications Office (HVOSCO) is responsible for expanding awareness of VA programs for Veterans who are homeless or at risk of homelessness and developing collaborative relationships with organizations that can assist VA in addressing the unmet needs of Veterans who lack stable housing. The office uses paid, earned and owned media to make stakeholders aware of the range of services available within VA to help Veterans exit homelessness and remain in stable housing. Staff develop collaborative relationships with organizations that can assist VA in filling gaps that are critical to economically vulnerable Veterans such as employment, affordable housing, food and move-in essential items. Staff also coordinate with federal, state and local partner organizations to synchronize messaging about homeless Veterans' issues.

### **Homeless Veterans Outreach and Strategic Communications Office 2020 Accomplishments**

To support VA's ongoing work to help Veterans exit homelessness and remain in stable housing, the OPIA Homeless Veterans Outreach and Strategic Communications Office undertook the following activities in FY 2020:

- **Developed COVID-19 Communication Products:** Because Veterans who lack stable housing are at increased risk of contracting COVID-19, HVOSCO personnel created communication products to make homeless service providers and Veterans who lack stable housing aware of available VA resources. The products included:

  - A COVID-19 [webpage](#) that highlights resources, best practices, and federal guidance
  - Several news releases, blog posts, and magazine articles about the impact of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and COVID-19 on homeless Veterans
  - A news release about ways partner organizations can help Veterans who lack stable housing during the COVID-19 pandemic
  - A [Clinical Resource Guide for Community Care Centers During the COVID-19 Pandemic](#), in collaboration with physicians and researchers in VA’s National Center on Homelessness Among Veterans and the National Health Care for the Homeless Council. The document included best practices for caring for people who lack stable housing during the COVID-19 public health emergency
  
- **Produced Two Videos:** HVOSCO created and distributed two videos about the availability of resources for Veterans who are homeless or at risk of homelessness. In addition to disseminating the videos on VA’s social media channels—YouTube, Facebook, Twitter, Vantage Point blog site, and VA Insider blog site—HVOSCO collaborated with the Veterans News Network (VNN) to broadcast the videos in the waiting rooms and lobbies of more than 65 VA medical centers across the United States. Each video aired on VNN has an average of 70,000 viewers each day. Below is an overview of each video:

  - “[How to Help Homeless Veterans](#),” a three-minute animated video that informs viewers what to do if they know or encounter a Veteran who is homeless or at imminent risk of homelessness
  - “[Gender Sensitive Homelessness Services](#),” an eight-minute video about the range of VA services that address the unique needs of women Veterans who are homeless or at risk of homelessness, including those with children
  
- **Convened Facebook Live Events:** In September 2020, HVOSCO and the VHA Homeless Programs Office (HPO) held a Facebook Live event with Vietnam Veterans of America to expand awareness of VA resources for Veterans facing housing crises and held another one in March 2021 with the Center for Women Veterans. Hundreds of people viewed the live events and recordings.
  
- **Helped Establish and Nurture Partnerships:** In FY 2020, HVOSCO collaborated with the HPO to establish and nurture relationships with more than 25 organizations to address the critical needs of homeless Veterans in the following four areas: move-in essential items, employment, transportation services, and general awareness of VA programs. Pro bono services offered ranged from providing mattresses, houseware, bed linens and other household essentials for Veterans exiting homelessness to posting content on organizations’ social media platforms to inform the public how they can help Veterans facing housing crises.

- **Helped Facilitate the Publication of more than 30 news releases and articles:** HVOSCO personnel have facilitated the publication of more than 30 news releases, blog posts and other content about VA programs for homeless Veterans in FY 2020, all with the goal of making stakeholders aware of available VA resources for Veterans who lack stable housing. Feedback from Veterans suggests that Veterans are more likely to seek assistance from VA if they know other Veterans who faced similar circumstances have been helped. Thus, it is imperative to share success stories often about Veterans from a variety of demographic groups who overcame a wide range of challenges. Below is a summary of the FY 2020 public affairs accomplishments:
  - Published a newsletter that was distributed to more than 20,000 subscribers each month
  - Updated content on [VA.gov/homeless](https://va.gov/homeless) regularly to ensure that stakeholders had the latest information about VA programs for homeless Veterans
  - Helped facilitate the publication of articles on VA’s blog site, Vantage Point, about VA resources and Veterans’ success stories
  - Wrote stories for Veterans Service Organizations, National Association of Elementary School Principals, and other organizations to publish on their digital channels about VA resources for homeless Veterans
  
- The Homeless Veterans Outreach and Strategic Communications Office includes three calls to action for Veterans in all outreach materials produced by staff: visit [va.gov/](https://va.gov/), contact the National Call Center for Homeless Veterans (NCCHV), or visit the closest VA medical center for help. In fiscal year 2020, there were 127,860 actionable contacts—phone calls or online chat sessions—to the NCCHV by or on behalf of Veterans experiencing homelessness, a 3.3% increase since FY 2019. The number of visitors to [VA.gov/homeless](https://va.gov/homeless) was 679,000 in FY 2020, a 1.4% decline since 2019. There were 1.8 million page views of content on that website in FY 2020, a 10% decline since 2019. Despite the modest decreases in both website traffic and the number of visitors to the [va.gov/homeless](https://va.gov/homeless) in 2020, the nearly 128,000 calls to NCCHV coupled with the 1.8 million page views and 679,000 website visitors show that VA’s efforts to make Veterans, the general public, and VA staff aware of resources for homeless and at-risk Veterans are continuing to yield significant results.

## **Office of Internal Communications**

The Office of Internal Communications is the lead VA office charged with improving and spreading employee communications across the enterprise. The goal of the office is to increase employee awareness of VA and its initiatives, programs and achievements, and to increase employee engagement and productivity. By working collaboratively with OSVA, the three Administrations and VACO staff offices, this office highlights the great work VA personnel and VA facilities are doing for Veterans; shares important news, information and resources with VA employees; and implements communications, campaigns, and training to increase employee engagement and understanding and buy-in to VA's mission. Improving internal communications is key to improving the employee experience which, in turn, will improve the Veteran experience.

### **Office of Internal Communications 2020 Accomplishments**

In 2020, the office led a multi-pronged strategy to strengthen internal communications and maximize its effectiveness across VA:

- Managed *VA Insider*, VA's flagship all-employee blog portal. During this fiscal year, *VA Insider* visits reached more than 165,000 per day. With more than 28 million visits in just three years, a 50% increase in two years reflect a significant change relative to the 2018 level of 110,000 visits per day.
- Developed and launched enterprise campaigns, webinars and other resources to enhance the internal communications capabilities of VA communicators and leaders and increase employee awareness of VA initiatives and goals. Launched nine campaigns during this fiscal year, each highlighted by a webinar. In total, more than 2,900 employees participated in the webinars, which drew an average of 325 participants; 80% of participants responding to surveys administered following the webinars rated them as excellent or very good.
- Published three 40-page issues of *Vanguard*, VA's national employee magazine, during this fiscal year. All issues were published digitally; one issue was also printed and distributed across the enterprise and to external stakeholders.

## **Office of Executive Speechwriters**

The Office of Executive Speechwriters (OES) works in direct support of the Secretary of Veterans Affairs, the Deputy Secretary, and the Chief of Staff to research, write, revise, and edit high-quality executive speeches, audio-visual presentations, congressional testimony and opening statements, messages, talking points, video scripts, correspondence, and other strategic communications products—Op-eds, reports, presentations. Executive Speechwriters research and analyze audiences to whom products will be delivered and ensure department leaders are briefed on and understand the characteristics of the audiences to which they will speak or make presentations. Executive Speechwriters also teach speechwriting and strategic communications to public affairs specialists from across the country at the OPIA National Public Affairs Training Academy

meetings and serve as the department's routinely consulted subject matter experts on speechwriting.

## **2020 Office of Executive Speechwriters Accomplishments**

- Assisted in developing and amplifying Office of the Secretary (OSVA) directed themes and messages to accomplish the established priorities and policies of the department during the course of a critical year of VA transformation.
- Composed and designed some 200 major speeches, audio-visual presentations, audience analyses, and other written products for the Secretary, the Deputy Secretary, and the Chief of Staff. Additionally, the OES edited and reviewed over 50 products on behalf of department leaders.
- Provided expert advice and assistance to the Secretary of Veterans Affairs, the Deputy Secretary, the Chief of Staff, and other department senior leaders regarding effective communications strategies, themes, messages, and products for engagements. Assigned projects based on prior experience and knowledge of current events and Veterans' issues.
- Conducted extensive historical research to acquire relevant and accurate information for assigned projects and, when appropriate, shared background information with supported OSVA senior leaders and other VA-internal offices.
- Supported Office of Media Relations during the Coronavirus pandemic by researching and writing releases on VA's efforts to support Veterans.

## **Office of Media Relations**

The Office of Media Relations (OMR) serves as VA's main conduit with the external news media. OMR plans and directs the department's public affairs and news media program. OMR staffers help plan issue-driven public affairs campaigns; manage and execute media events (press conferences, interviews, media roundtables, media support to major VA events, etc.); coordinate public affairs events with the department's three administrations and key program offices; draft, distribute and maintain news releases and fact sheets, communications plans, white papers, responses to query (RTQ), talking points and similar products.

## **Office of Media Relations 2020 accomplishments**

- OMR coordinated and responded to more than 4,000 media inquiries, regarding a myriad of topics crossing all three administrations and VACO staff offices. OMR also conducted several campaigns to inform Veterans and the public about emerging or expanding programs, conducted “media pitches,” media round tables and other media notifications. Among topics of national interest, OMR has provided responses on behalf of the department to include senior leadership; MISSION Act; GI Bill; VA Loan Guaranty; drug and pharmaceutical pricing and prescribing practices; opioid use and abuse prevention; hepatitis C care and medications, suicide prevention; minority Veterans; women Veterans; mental health; environmental exposures (to include Agent Orange, Burn Pits, and Blue Water Navy Veterans); caregiver program; electronic health records; 3-D printing for health care; medical foster homes; Veteran ID cards and whistleblower protections. OMR successfully marketed the medical foster homes program stories to major outlets such as People Magazine; CBS News (national network); the Washington Post and local outlets. The Wheelchair games aired on CBS News and local outlets around the country.
- OMR edited, and processed more than 615 news releases during the fiscal year including numerous media advisories and Human Resources and Administration employee bulletins. OMR collaborates with the Digital Media Engagement section to ensure pertinent information is also shared via Social Media channels. OMR and DME work in tandem to coordinate and track mutual efforts.
- OMR continued to assist in the efforts to inform Veterans about the seriousness of COVID-19 testing and protocols, updates to the Veterans Choice program, mental health issues, PTSD; suicide prevention and the availability of services to address them.
- OMR participated in the Women Veterans Conference, National Association of Black Journalists, National Association of Broadcasters and other national-level organizations and events.

## **Office of Field Operations**

OPA’s Field Operations Service consists of six district public affairs offices that serve as the public relations conduit between local facilities in each administration and VA Central Office, coordinating the release of external and internal public affairs information and providing direct support and public relations counsel. Field Operations are an integral part of the implementation of department communications efforts for customer service, MISSION Act, and suicide prevention, as so much of it depends on synchronization with local facilities.

## Office of Field Operations 2020 Accomplishments

- Like the rest of the department, in March 2020, the Field team turned its entire focus on providing information to veterans about the department's response to the COVID-19 pandemic.
- During March and April 2020 alone, the OPA Field staff members worked on more than 1300 media queries. In the entirety of 2019, the Field team responded to 800 media queries. Starting in early March, the field team began coordinating media interviews and responses to national, regional, and local media queries about the department's preparations for and response to the pandemic. Veterans are avid consumers of local television, newspaper, and radio coverage. OPA Regional Office staff members provided information to local reporters – or assisted facility public affairs officers as they worked with local media representatives.
- Prior to the beginning of the pandemic, the Field team trained several hundred facility directors, senior leaders, and public affairs officers in how to communicate VA programs and messages more effectively with media and veterans. Especially during the pandemic, this training paid dividends as facility leadership became the local faces of VA when they engaged with media about their facility's preparations and response. Local VA officials and Public Affairs Officers (PAOs) are at the cutting edge of informing and educating Veterans about the benefits they've earned. In this case, local VA officials were able to provide critical information to veterans and their families – and VA employees - about the precautions the department was taking to help keep everyone safe.
- Prior to the pandemic, arranged more than 50 individual Secretary interviews focused on the care and benefits available to veterans.
- Supported the Secretary, Deputy Secretary and senior VA leaders as they traveled the country. Senior leaders have the unique opportunity to communicate directly with Veterans and stakeholders in local communities when they travel. OPA Field Operations works with local media representatives and local VA facilities to coordinate senior leader travel. Prior to the pandemic, OPA Field staff supported more than 30 separate media engagements.
- Throughout the year, the Field team advised facility directors, senior leaders and public affairs officers during nearly 6,000 individual interactions. This was especially critical as local facilities were queried about their preparations for and response to the Covid-19 pandemic. As the situation evolved, local engagement was invaluable to getting information to stakeholders about how facilities were adapting to changing conditions on the ground. It was of paramount concern that veterans understood the precautions VA was taking to provide them safe, high-quality health care in the face of the pandemic.



- OPA Field staff are often the first advisors called when facilities confront issues that involve (or may involve) media coverage. They are also consulted on numerous issues related to internal communication, special events planning and crisis communication planning and execution. Public relations advice and counsel is the primary and most time-consuming function of the OPA Regional Offices. It is often the most critically needed support function for facilities that have issues they must address.
- Coordinated and complemented information distribution with other OPA offices. OPA Regional Offices amplify and redirect national news releases, media advisories, blog posts, Twitter and Facebook messages and YouTube videos from the offices of Media Relations and Digital Media Engagement. Those two offices rely on the public affairs networking capability of each OPA Regional Office for dissemination of news and information flowing from VA Central Office to local markets throughout the country.

### **Office of Digital Media Engagement**

The Office of Digital Media Engagement (DME) leverages existing and emergent web-based technologies to provide the right information to the right VA stakeholder at the right time. Additionally, Digital Media Engagement creates and distributes various communication products through online media designed to inform external and internal audiences of the many benefits, services, and programs available to Veterans and how they may access those benefits.

### **Office of Digital Media Engagement 2020 Accomplishments**

- DME uses its digital media channels to: share, by informing citizens of public services through social content; listen, by observing, analyzing and understanding what citizens are sharing to improve public services; and engage, by responding, collaborating and creating with both our government partners and citizens to improve public services. DME's total monthly audience has exceeded 4 million individuals each month in 2020.
- DME, on behalf of OPIA, is responsible for overseeing the VA Web Governance Board – ensuring the department, its administrations and staff offices meet federal digital strategy requirements, guidelines, and communications goals. DME has worked to increase the compliance rates for VA web properties for federal standards such as Section 508, Open Data, Plain Language, Information Quality, Privacy and other key areas identified on <https://www.va.gov/web/standards/index.cfm>.
- DME produced video content that has earned 15.8 million video views – a 673% increase over the previous period -- more than any of the top five largest public federal agencies. The video component has played a huge roll in communicating with Veterans via social media as analytics prove that videos gain more views than any other format. DME will continue to leverage its video capability to communicate benefits and services to Veterans and other stakeholders.

### **Engagement**

- VA’s weekly newsletter shares both VA and non-VA resources to all known VA customer e-mail addresses for a total of about 11.3 million subscribers, a 1.3 million increase over 2019. The newsletter deliberately shares resources across all VA service lines to ensure all of VA’s customers are aware of all care, benefits, and services available to them, regardless of their entry point to VA.
- Using its growing platforms, DME has assisted several program offices by getting content to the largest audience possible. During the COVID-19 pandemic, DME helped improve and promote Whole Health content for Veterans. DME also gave access to its social media channels so VA’s Mental Health Office could reach a larger audience with promoted suicide prevention content.
- DME continues to assist VA’s Suicide Prevention initiative by repurposing previously completed videos through 508 compliance and updating the formatting to be used on the Department’s social media channels. These videos have opened a positive dialog amongst our Veteran community and provides information about VA resources to help Veterans and their families deal with PTSD and suicide prevention.

## **Content Development**

- Vantage Point—A VA produced and curated web blog that serves as the primary content delivery system for VA stories, news and guest articles. In 2019, Vantage Point garnered more than 10.2 million page views. This is an 86% increase over 2018’s approximately 5.5 million. As of April of 2020, Vantage Point has attracted more than 15.7 million pageviews. More than 85 percent of Vantage Point readers identify themselves as Veterans.
- “Borne the Battle” podcast—VA’s flagship podcast’s primary mission is to educate and inspire transitioning veterans with positive stories, while informing all veterans about VA benefits and Services. In 2020 Borne the Battle reincorporated the "Benefits Breakdown" series. Every five episodes the podcast breaks down a VA program, office or service that is a benefit to the veteran community. Benefit Breakdowns are consistently top performing episodes. From March 12-April 8, Borne the Battle did a five-part series on COVID-19 featuring information that was released in response to the virus and on-the-ground reports from VA employees and veterans making a difference. Borne the Battle (BtB) is the first podcast of a VA Podcast Network. Two other podcasts include "Voices of VA Research" and "Vets First Podcast" (launching April 2020). In the first 6 months of 2020, BtB achieved 126,578 downloads.

- **Internship:** DME’s participation in the Virtual Student Federal Service (VSFS) internship program allowed for the creation of a team of 300 interns to assist in creating content and managing our social media platforms. As an unpaid internship, DME’s intern team has the potential to produce up to 90,000 man-hours of service for the VA at no cost. This year, interns contributed more than 400 hours toward writing content for the VAntage Point blog and 300 hours in editing. They are also responsible for drafting the “Vet Resources” weekly newsletter. The social media interns have created nearly 1,000 posts for DME’s social media calendar. Finally, DME interns have reported more than 20 suicidal comments to the Veterans Crisis Line since August 2019.

## **Compliance**

- **Web Redesign:** In cooperation with VA’s Chief Technology Officer and VA Digital Services, DME launched an updated VA.gov web design that focuses on making interactions with VA easier for Veterans.
- DME chairs a chartered working group that reports to the digital modernization council. This group is advising and shaping the rules and permissions that will be built into the new content-maintained system that VA is currently developing.
- **Web Governance:** DME manages the department’s 15-member Web Governance Board (WGB) which is charged with standardization and enforcement oversight of VA’s enterprise-wide web presence.
- **Federal standards:** Through the Web Governance Board, DME has led a focused effort on department-wide Section 508 remediation, expanding the available suite of social media tools, and continuing enterprise-wide certification for the development and deployment of safe, secure, VA branded mobile applications.

## **Executive Director for Intergovernmental Affairs**

The Executive Director for Intergovernmental Affairs is responsible for all relations between VA and international, state, county, municipal, and tribal governments. The primary function of the office is to provide strategic advice, guidance, and information to the Office of the Secretary, Under Secretaries for Health, Benefits, and Memorial Affairs, and all other VA Staff Offices by fostering and enhancing government partnerships and acting as liaison between VA and the White House, federal, state, county, municipal, tribal, insular, and international governments and faith-based leaders. The Executive Director for Intergovernmental Affairs has oversight of the Office of Tribal Government Relations, the Center for Faith and Opportunity Initiative and the Office of State, County, and Municipal Governments.

## **Office of Tribal Government Relations**

The Office of Tribal Government Relations (OTGR) works to strengthen and build closer relations between the VA, tribal governments and other key federal, state, private and non-profit partners to serve Veterans across Indian Country effectively and respectfully. This work is done in the spirit of government to government consultation and collaboration, respectful of the political relationship that exists between the United States and tribal governments. OTGR efforts focus on three important goals: facilitating VA's Tribal Consultation Policy; facilitating increased access to health care and promoting economic sustainability (highlighting opportunities for Veterans to access fiscal, educational, housing and other special programs and benefits through the VA).

### **Office of Tribal Government Relations 2020 accomplishments**

- VA Leadership Engagements with Tribal Governments and Veterans – OTGR facilitated VA senior leadership engagements with tribal governments in 2020. SECVA Wilkie met with Tribal Veteran Service Officers (TVSOs) and tribal representatives, in Rapid City, SD, from five tribes in South Dakota – Cheyenne River, Standing Rock, Sisseton, Pine Ridge and Rosebud. SECVA provided remarks at the Smithsonian National Museum of the American Indian for the Dedication of the Native American Veterans Memorial. SECVA participated in a roundtable discussion with IHS Director RADM Michael Weahkee at the Phoenix Indian Medical Center. NCA leadership and Advisory Board members did a site visit to San Carlos Apache tribal Veterans Cemetery.
- OTGR coordinated efforts with the Veterans Benefits Administration (VBA)/Benefits Assistance Service (BAS), State Departments of Veterans Affairs and Tribal Governments to conduct four on-site claims clinics throughout Indian Country. Outcomes included increases in service-connected ratings, retroactive payments, VHA health care enrollments, access to on-site services and reaching a population of Veterans previously underserved by VA and other service organizations.
- VA-Indian Health Service (IHS) Reimbursement Agreements—Since inception of the VA-IHS reimbursement agreements in 2012, IHS and Tribal Health Programs (THP) that have reimbursed over \$120 million and a total of 11,389 unique Native American Veterans. For 2020, IHS and THPs have reimbursed approximately \$15.6 million and a total of 4,905 unique Native American Veterans.
- White House Intergovernmental Veterans Conference—OTGR represented VA's Office of Intergovernmental Affairs during the White House Veterans Conference in 2020. The conference engaged with state, tribal leaders, Veterans organizations and service providers to exchange information regarding the challenges and successes of serving Veterans nationwide. The Vice President and other senior officials within the administration addressed the participants.

- VA Virtual Tribal Consultation - Office of Community Care (OCC) and OTGR engaged in a virtual tribal consultation with tribal leaders in 2020. The was focused on care coordination for Veterans receiving care under the VA’s Indian Health Service/Tribal Health Program (IHS/THP) Reimbursement Agreement Program (RAP). VA continues to seek input on how we can ensure American Indian/Alaska Native (AI/AN) Veterans who need care beyond what is offered directly within IHS/THP facilities are able to get that care seamlessly either in the VA medical facilities or in the community.
- OTGR collaborated with the Office of Community Care to establish the VA Healthcare Care Coordination Advisory Board in 2020, with participation from IHS and tribes, to assist in developing and implementing standardized processes for care coordination.
- OTGR launched “Webex Wednesdays” webinars that provides virtual outreach to tribal leaders, VA and Indian health providers, VSOs, Veteran advocates, Veterans and families. OTGR plans these Webex events twice a month through the end of the year.
- OTGR supported the VHA Office of Rural Health leadership and Indian Health Service leadership in facilitating tribal consultation focused on updates to the VA/IHS MOU during the National Indian Health Board Annual Consumer Conference.
- OTGR supported establishment of the VA Intra-agency Project Management Team, the VA entity with responsibility for oversight of the VA role in implementation of the Alaska Native Vietnam Veterans Allotment Act.

### **Office of State and Local Government Affairs**

Office of State and Local Government Affairs (SLGA) mission is to manage USDVA's collaborative participation in intergovernmental affairs activities and policy initiatives, including White House-sponsored policy and outreach events, provide assessment the policy issues and concerns of state, local, and municipal elected officials regarding the impact on USDVA's operations and policies affecting in their jurisdictions. SLGA serves as the USDVA primary liaison in all intergovernmental affairs matters and is the primary point of contact with federal IGA partners, states (governors’ offices and State Veteran Affairs Departments), and local government officials (mayors’ offices & county officials). SLGA facilitates government-to-government relations with State and Local leaders on USDVA policy initiatives to develop partnerships that enhance access to services and benefits for Veterans and their families. The SLGA office manages the USDVA’s International Affairs program and is the primary point of contact with the State Department and foreign governments/entities.

## Office of State and Local Government Affairs 2020 Accomplishments

- Coordinated SECVA letter to Governor's outlining FEMA protocols for requesting USDVA 4<sup>th</sup> Mission Assistance.
- Communicated with Governors' chief of staffs for 30 FEMA VA Mission Assignments & 25 Humanitarian Aid accommodations & the potential need for assistance by states affected by the COVID-19 pandemic.
- Coordinated 48 SECVA calls to Governors and 1 Mayor regarding USDVA assistance to COVID-19 and the CARES Act funding to State Veterans Homes (\$150 million grant).
- Facilitated communication with all State VA directors and SVH facility directors to baseline safeguards for Veteran patients in state-owned/managed facilities.
- Facilitated 4 Stakeholder COVID-19 conference calls with SECVA, WH and senior leadership on VA service delivery and organizational accommodations during COVID-19.
- Maintained daily, direct contact with state governor's offices/state legislators – Distributed 65,000 plus stakeholder emails on COVID-19 federal response i.e. WH, FEMA, Cares Act and SECVA notifications.
- Amplified and follow-up with state and locally elected officials following the Under Secretary for Benefits Tele-Town Halls which reached over 2.5 million veterans and stakeholders regarding benefits' administration.
- Notified governor's offices of USDVA State Veteran Homes Grant awards.
- Coordinated with the WH and other federal agencies on the planning and future implementation of the President's "PREVENTS" 5 March 2019 Executive Order with WH. 43 Governor's submitted State Proclamations complementing "National Suicide Prevention Month – September 2020."
- Maintained disaster response communications with governor's offices and State VA Departments regarding potential need for USDVA assistance.
- Facilitated resolution of VA State Directors and individual constituent related requests with VHA/VBA and NCA administrations to achieve resolution.
- Coordinated with VA State Directors and governor's offices in rolling out "State Blogs – Highlighting Veteran Programs" via the USDVA platform and generated 1.7 million views.
- Facilitated communication between the State Veterans Affairs departments and the Electronic Health Records group implementation planning and logistics pertaining rollout of the new system.

- Participated DOI Insular Affairs forum at the WH regarding service delivery issues for Veterans from the U.S. territories and the freely associated states.
- Facilitated the donation of Personal Protective Equipment (PPE) 500,000 face masks from the Republic of South Korea and 500,000 face masks from the Republic of Taiwan.

### **Center for Faith and Opportunity Initiative**

The Department of Veterans Affairs Center for Faith and Opportunity Initiative (CFOI) mission is to provide faith-based and community organizations (FBCOs) and stakeholders with an opportunity to collaborate to support the needs of Veterans, their families, survivors and caregivers. CFOI works with the White House and other federal agency Faith and Opportunity Directors to support the alleviation of poverty; religious liberty; the strengthening of marriage and family; education; solutions for substance abuse and addiction; crime prevention and reduction; prisoner reentry; and health and humanitarian services.

### **Center for Faith and Opportunity Initiative 2020 Accomplishments**

- Planned and participated in over 30 collaborative outreach events consisting of over 150 meetings and more than 1,500 attendees at events from key components at the federal, state, and local level, to include professional associations, and industry which support Veterans and their families.
- Designed and distributed CFOI's first "How to Start a Veteran Ministry" pocket guide to faith-based organizations nationwide.
- Participated in the White House faith leaders call with over 700 clergy across the nation representing various denominations.
- Participated in interviews with radio stations shows "Frontlines of Freedom" and K-Heaven-Dallas.
- Created the CFOI database; which houses over 2,500 national faith-based, community, and not for profit organizations contacts.
- Coordinated suicide prevention training for over 150 clergy and faith-based leaders throughout the nation.
- Established and fostered new partnerships with external faith-based, nonprofit and other organizations with Veterans programs; Unity Freewill Baptist Church, Global Ministries for Lutheran Hour Ministries, Mighty Oaks Foundation, Boeing Corporation, University of Utah, Concordia University, Purdue University's Military Family Research Institute (MFRI), Detroit Pistons, and numerous houses of worship nationwide. Implemented over

12 webinar training sessions to continue external outreach during COVID-19 that reached denominations and congregants across the nation.

**Office of Public and Intergovernmental Affairs**  
**Employment and Obligation Classification**

(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	58	68	59	42	-17
Field	25	27	25	25	0
<b>Total , FTE</b>	<b>83</b>	<b>95</b>	<b>84</b>	<b>67</b>	<b>-17</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$10,571	\$10,142	\$10,733	\$9,475	-\$1,258
Personnel Benefits	3,527	3,163	3,780	3,367	-413
Travel	79	364	79	129	50
Transportation of Things	-	-	-	-	-
Rents, Comm. & Utilities	49	39	25	51	26
Printing	75	140	-	50	50
Other Services	1,569	2,008	1,668	1,342	-326
Supplies & Materials	31	74	16	21	5
Equipment	25	-	-	-	-
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$15,927</b>	<b>\$15,931</b>	<b>\$16,300</b>	<b>\$14,435</b>	<b>-\$1,865</b>
<b>Offsetting Collections Obligations</b>	<b>15,222</b>	<b>7,389</b>	<b>17,156</b>	<b>16,402</b>	<b>-754</b>
<b>Total, Obligations</b>	<b>\$31,149</b>	<b>\$23,320</b>	<b>\$33,456</b>	<b>\$30,837</b>	<b>-\$2,619</b>





## Office of Congressional and Legislative Affairs

### Mission Statement

The mission of the Office of Congressional and Legislative Affairs (OCLA) is to improve the lives of Veterans and their families by advancing pro-Veteran legislation and maintaining responsive and effective communications with Congress.

### Office of Congressional and Legislative Affairs

#### Budgetary Resources

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$3,348	\$0	\$1,802	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	5,900	8,966	7,000	7,480
Offsetting Collections	-	-	-	-
<b>Total, Budgetary Resources</b>	<b>\$9,248</b>	<b>\$8,966</b>	<b>\$8,802</b>	<b>\$7,480</b>
<b>Total Obligations</b>	<b>9,190</b>	<b>8,966</b>	<b>8,802</b>	<b>7,480</b>
<b>Year End Balances</b>	<b>\$58</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> The 2020 amount includes \$3.3 million in General Administration carryover funding to support on-board FTE.

<sup>2</sup> The 2021 amount includes \$1.8 million in General Administration carryover funding to support on-board FTE.

**Office of Congressional and Legislative Affairs**  
**Summary of FTE Request**

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Congressional and Legislative Affairs	47	55	49	40
<b>Subtotal, Direct FTE</b>	<b>47</b>	<b>55</b>	<b>49</b>	<b>40</b>
<b>Offsetting Collections</b>				
<b>Subtotal, Offsetting FTE</b>				
<b>Total, FTE</b>	<b>47</b>	<b>55</b>	<b>49</b>	<b>40</b>

**Office of Congressional and Legislative Affairs**  
**Obligations by Office**

(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Congressional and Legislative Affairs	\$9,190	\$8,966	\$8,802	\$7,480
<b>Subtotal, Direct Obligations</b>	<b>\$9,190</b>	<b>\$8,966</b>	<b>\$8,802</b>	<b>\$7,480</b>
<b>Offsetting Collections</b>				
<b>Subtotal, Offsetting Collection</b>				
<b>Total, Obligations</b>	<b>\$9,190</b>	<b>\$8,966</b>	<b>\$8,802</b>	<b>\$7,480</b>

OCLA's 2022 budget request will:

- Provide \$7.5 million and an average employment of 40 FTE to fund all OCLA activities in 2022. The 40 FTE includes personnel assigned to the Central Office and OCLA's Congressional Liaison Service offices on Capitol Hill.
- Continue to advance responsive and effective congressional communications (i.e., briefings, meetings, hearings, site visits, and constituent services) to enhance the knowledge of VA for members of Congress and staff.
- Support each of the VA Secretary's Priorities and Strategic Goals in the 2018-2024 Strategic Plan by engaging Congress for needed resources and legislative authorities and shape external market forces to favor Veteran outcomes as outlined in Business Strategy 4.1.2.
  - Provide technical assistance on draft legislation and support the development and execution of the Department's legislative program as well as support to members of Congress who are not on the Department's committees of jurisdiction.
  - Provide strategic customer service to members of Congress and their Washington D.C. office staff through congressional liaison team. The liaison team serves as a point of contact for congressional staff on constituent casework issues. The liaison team will continue to support local facilities in processing constituent casework.
  - Continue to educate and train selected VA employees through the Congressional Fellows outreach program established in 2018 in all aspects of congressional activities, emphasizing those matters regarding the VA. These Fellows will continue to serve as full-time legislative aides in the House of Representatives or Senate for the duration of a single session of Congress. In 2022 approximately 10 employees will have an opportunity to participate in the program.

## **Program Description and Accomplishments**

OCLA supports the Secretary and the Department's Strategic Goals and Priorities. OCLA seeks to provide timely information to members of Congress and their staffs. OCLA is also focused on communicating the Department's mission, programs, and its care and support of Veterans. This involves frequent briefings by senior VA officials both in Washington, DC and in the field. In addition, OCLA conducts orientation and information briefings on VA benefits and services for Members of Congress and their staffs.

OCLA provides leadership, guidance, and coordination of all communications, both legislative and non-legislative, with Congress; it also serves as the principal advising body for the Secretary, Deputy Secretary, and other senior Department officials regarding all congressional activity related to Veterans.

The primary function of OCLA is to promote the enactment of legislation that improves Veterans benefits and services by:

- Coordinating the development of legislation that honors our Nation's commitment to take care of those who protect our Nation through military service.
- Maintaining responsive communications with Congress through briefings, hearings, correspondence, reports, site visits, and constituent services.
- Maintaining a productive working relationship with the Government Accountability Office (GAO).

The office also serves as the Department's primary point of contact for Members of Congress and their staffs on matters regarding policy, oversight, and Member requests. OCLA maintains relationships and encourages the flow of information between VA and Members of Congress and congressional staff.

In 2020, OCLA supported 48 hearings/roundtables and conducted 1,416 congressional briefings, including educational seminars, responded to 6,322 requests for information in addition to 360 questions for the record, supported 68 GAO entrance/exit conferences, and coordinated the Department's response to 150 GAO draft/final reports. OCLA's liaison team fielded 45,585 telephone inquiries and letters in support of constituent casework, in addition to Secretarial and senior leader policy and informational correspondence. OCLA's legislation team provided technical assistance on over 903 draft pieces of legislation. OCLA personnel directly supported congressional oversight visits to VA facilities throughout the Nation.

To sustain productivity, OCLA continues to review its internal operating processes and procedures, seeking the feedback of the office's internal and external stakeholders and is aggressively working to improve efficiencies and eliminate redundancy. OCLA will continue to update its processes and procedures and will continue to strive to improve the Department's responsiveness and communications with Congress.

**Office of Congressional and Legislative Affairs**  
**Employment and Obligation Classification**  
(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	47	55	49	40	-9
Field	0	0	0	0	0
<b>Total, FTE</b>	<b>47</b>	<b>55</b>	<b>49</b>	<b>40</b>	<b>-9</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$6,622	\$6,643	\$6,409	\$5,488	-\$921
Personnel Benefits	2,195	1,855	2,092	1,502	-590
Travel	33	91	24	50	26
Transportation of Things	-	-	-	-	-
Rents, Comm. & Utilities	-5	-	-	-	-
Printing	10	6	10	5	-5
Other Services	335	318	262	419	157
Supplies & Materials	0	53	5	16	11
Equipment	-	-	-	-	-
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$9,190</b>	<b>\$8,966</b>	<b>\$8,802</b>	<b>\$7,480</b>	<b>-\$1,322</b>
<b>Offsetting Collections Obligations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total, Obligations</b>	<b>\$9,190</b>	<b>\$8,966</b>	<b>\$8,802</b>	<b>\$7,480</b>	<b>-\$1,322</b>

<sup>1</sup> The 2020 amount includes \$3.3 million in General Administration carryover funding to support on-board FTE.

<sup>2</sup> The 2021 amount includes \$1.8 million in General Administration carryover funding to support on-board FTE.

- The 2022 personal services request of \$7.5 million supports approximately 40 FTE, a reduction of 9 FTE from FY 2021 funding level that included carryover.

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## *Acquisition, Logistics, and Construction*

### **Mission**

The mission of the Department of Veterans Affairs' (VA) Office of Acquisition, Logistics, and Construction (OALC) is to support America's Veterans by delivering and enabling business solutions that meet the ongoing and emerging needs of our customers. We do this by delivering services, communicating, and being transparent; optimizing business operations that facilitate informed decision making; and being a learning, agile organization that provides employee professional growth aligned with OALC's mission. The office provides acquisition and logistics services to VA Administration and Staff Offices, as well as overseeing the planning, design, and construction of the Department's major construction and leasing projects.

### **Office of Acquisition, Logistics and Construction**

#### **Budgetary Resources**

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$0	\$0	\$0	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	-	-	-	-
Offsetting Collections	83,205	115,851	91,186	138,647
<b>Total, Budgetary Resources</b>	<b>\$83,205</b>	<b>\$115,851</b>	<b>\$91,186</b>	<b>\$138,647</b>
<b>Total Obligations</b>	<b>83,205</b>	<b>115,851</b>	<b>91,186</b>	<b>138,647</b>
<b>Year End Balances</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Office of Acquisition, Logistics and Construction**  
**Summary of Budget Request**  
(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
<b>Subtotal, Direct Obligations</b>				
<b>Offsetting Collections</b>				
From Major Construction	\$80,191	\$102,719	\$86,303	\$124,600
From Major Construction Seismic	1,213	9,588	2,372	10,278
From Supply Fund	1,801	3,544	2,511	3,769
<b>Subtotal, Offsetting Collection</b>	<b>\$83,205</b>	<b>\$115,851</b>	<b>\$91,186</b>	<b>\$138,647</b>
<b>Total, Obligations</b>	<b>\$83,205</b>	<b>\$115,851</b>	<b>\$91,186</b>	<b>\$138,647</b>

**Office of Acquisition, Logistics and Construction**  
**Summary of FTE Request**

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
<b>Subtotal, Direct FTE</b>				
<b>Offsetting Collections</b>				
From Major Construction	353	498	382	501
From Major Construction Seismic	7	51	12	51
From Supply Fund	9	19	13	19
<b>Subtotal, Offsetting FTE</b>	<b>369</b>	<b>568</b>	<b>407</b>	<b>571</b>
<b>Total, FTE</b>	<b>369</b>	<b>568</b>	<b>407</b>	<b>571</b>

**Stakeholders**

OALC stakeholders include Veterans, Congress, Veterans Service Organizations, the Office of Federal Procurement Policy, the Departments of Defense, Health and Human Services, and other Federal agencies. Internal stakeholders or customers include the VA Administrations (Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA)) and Staff Offices. OALC also provides direct assistance at regional and local levels, including Veterans Integrated Service Networks (VISN), VHA Area Offices, Memorial Service Networks (MSN), local medical centers, and VBA Regional Benefit Offices.



## **Summary of Budget Request**

Included under OALC is the Office of Acquisition and Logistics (OAL), the Office of Procurement, Acquisition and Logistics (OPAL), and the Office of Construction and Facilities Management (CFM). This chapter provides information for OALC enterprise functions and CFM.<sup>30</sup> The Department spends over \$36 billion annually through contracts to support VA's mission of serving our Veterans. This includes national contracts and agreements for the acquisition and direct delivery of pharmaceuticals; medical, equipment/supplies, and IT services. OALC, through its component offices, oversees these contracts and 4,684,620 or more procurement transactions per year. OALC is leading the efforts in modernizing the VA Supply Chain and supporting the Electronic Health Records office in providing seamless care for all Veterans and qualified beneficiaries by leveraging procurement of an Electronic Health Record Solution currently being deployed by Department of Defense. OALC has also partnered with the Office of Management to modernize VA's legacy core Financial Management System. Additionally, OALC oversees the planning, management, and return on investments of VA real property assets, continuing to transform OALC into an enterprise acquisition and facility management operation. OALC is organizing administrative functions to provide more efficient support for its business activities.

CFM provides regional and local support for construction and lease projects by funding support for the on-site supervision of projects through the Major Construction account. Funding supports multiple job types including engineers/architects, program/project managers, realty specialists, planners, contracting officers and management support staff.

### **Office of Acquisition, Logistics, and Construction 2022 Funding**

OALC is requesting \$138.6 million and 571 FTE in reimbursable funding. This includes \$124.6 million from the Major Construction Appropriation for 501 construction and leasing-related FTE, including three FTE for the VA History Office (VAHO). VAHO is the principal enterprise-wide management office for centralized VA historical initiatives. The mission of VAHO is to establish an overarching program to collect, preserve and provide access to the organization's relevant historical records and artifacts to tell a comprehensive story of VA and its predecessor organizations. The VAHO's 2022 budget request is \$3.7 million. Its curator and archivist are based in Dayton, Ohio. Also included is \$10.3 million from the Major Construction Appropriation for 51 Seismic FTE and \$3.8 million for 19 FTE for management oversight of functions funded through the Supply Revolving Fund. Funding for OALC will support the Department's major procurement and logistics initiatives, as well as, planning, designing, constructing, acquiring and disposing major facilities and real property, and setting design and construction standards. Funding will cover costs of salaries, rent, contract support, training, travel, and permanent change of station. Staff will be located throughout the country at approximately 50 sites, including VA Central Office.

With the enactment of the 2020 budget, the Department consolidated various sources of funding for OALC in the Major Construction appropriation. All Construction Facilities Management staff and support are now funded from the Major Construction appropriation. This realignment of

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<sup>30</sup> Detailed information on OALC and OPAL is included in the Office of Acquisition and Logistics/Office of Acquisition Operations: Supply Fund Chapter.

funding provides the Department the flexibility to manage workload demands across all projects that was restricted under the prior appropriation and accounting structure.

Multiple efficiencies and management improvements are gained by the consolidation of funding since the full range of capital infrastructure services are now be supported by Major Construction funding allowing for the flexibility to align project managers, planners and engineers as needed to meet current and emerging demands of fluctuation workloads. Staff can be used across programs without the restrictions of Economy Act agreements allowing for major construction and lease projects to be cross managed.

**2022 FTE Breakout by Appropriation**

Position	Reimbursable Funding Sources		Total
	Major Construction	Supply Fund	
Resident Engineers/Admin Support	229	0	229
Project/Program Managers	91	0	91
Realty Specialists	50	0	50
Planners	54	0	54
Contracting Officers	54	0	54
Architect/Engineers	23	0	23
Management Support	51	19	70
<b>Total</b>	<b>552</b>	<b>19</b>	<b>571</b>

The FTE distribution aligns with the budget resources in the 2022 request. Funds are included in the request to ensure that employees maintain adequate expertise relating to industry standards and best practices for the acquisition of design and construction services. FTE and contract dollars are also included to manage funding received to address critical seismic corrections at various locations.

**CFM Program Overview**

CFM manages an inventory of 65 projects valued over \$11 billion for the acquisition, design, construction, renovation, and modernization of medical centers, as well as building new cemeteries and expanding existing ones. CFM is also managing the Seismic Corrections line item established to correct more than \$7 billion in critical seismic issues identified across VA facilities.

CFM’s Leasing Program has increased in Total Contract Value from \$4.5 billion in 2016 to over \$7.1 billion in 2021, a 58 percent increase in lease needs. Current projections show CFM will manage 81 active leases in 2022, including 21 unauthorized leases in VA’s 2022 Budget Request.

The staffing levels included in this budget request are critical to CFM's ability to address the additional workload imposed by Choice Act leases, State Home Grant funding, MISSION Act requirements to assess, develop and implement VA's National Realignment Strategy, and the Financial Management Business Transformation (FMBT) migration to the Integrated Financial and Account Management System (IFAMS).

Some of the challenges currently faced by CFM include:

- Maturing a working relationship with the U.S. Army Corps of Engineers (USACE), which became the VA's construction agent for projects over \$100 million in 2016.
- Implementing the Seismic Corrections line item established to correct over \$7 billion in critical seismic issues identified across VA facilities.
- Developing and implementing framework principles to clarify VA Major Construction roles and responsibilities.
- Enhancing due diligence efforts in addition to performing preliminary design work for Major Construction projects prior to budget submission.
- Implementing sophisticated project controls in response to USACE, Office of Inspector General (OIG), Government Accountability Office (GAO), and internal reviews.
- Authorization of 2016, 2017 and 2018 Major Leases in Choice Act 2.0 (2017) resulted in an immediate 30 percent increase in leasing workload faced in 2018 and 2019. All 28 major lease projects authorized for those three budget submissions commenced in earnest. CFM shifted internal leasing capacity and sought external federal agency support to begin lease execution for the 28 clinical and research facilities in the timeliest manner possible. Seven of these leases are part of the General Services Administration's (GSA's) pilot program, which is a program that started in 2018 to assist CFM in executing leases.
- Lack of authorization of the Major Leases included in VA's 2019, 2020, and 2021 Budget Requests. These unauthorized leases, plus new initiatives, are included in VA's 2022 Budget Request. There are a total of 21 Major Leases awaiting authorization.

## **Program Description and Accomplishments**

OALC oversees the OAL, OPAL, and CFM.<sup>31</sup> CFM responsibilities include overseeing the planning, design, and construction of the Department's major construction projects. CFM consolidates and standardizes processes governing construction and leasing activities throughout VA. Program oversight is provided, and enterprise-wide performance metrics are developed, that assess various aspects of construction. CFM develops and monitors historic preservation policy for VA in order to deliver high-quality, cost-effective facilities in support of our Nation's Veterans.

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<sup>31</sup> Detailed information on OAL and OAO is included in the Office of Acquisition and Logistics/Office of Acquisition Operations: Supply Fund chapter.

## **Major Construction**

CFM is responsible for providing on-site supervision for design and construction of VA's Major Construction projects, as well as projects associated with the 2019 Seismic Corrections line item to address all seismic construction projects across VA facilities. Major Construction encompasses projects greater than \$20 million.

Responsibilities for large projects (projects exceeding \$100 million) include selecting, negotiating, and working with a non-Departmental Federal Agency. VA Engineers actively engage with the VA Medical Center and non-Departmental Federal Agency to solve project issues, these can include: project planning, scope selection, modifications, equipment planning, utility shut downs, space utilization, safety, and continuity of operations. In addition, CFM personnel ensure VA buildings are designed and constructed by the non-Departmental Federal Agency to VA standards.

Duties for all other Major Construction, including projects exceeding \$100 million authorized prior to 2015, include managing, negotiating, awarding, and administering design, construction, and other related contracts. CFM provides support in project scheduling, claims analysis, and risk management; and provides oversight and execution of all Brooks Act Architect and Engineer evaluation and selection processes.

Duties for the Seismic Corrections line item include management/administration, planning/studies, design and construction of projects which meet the criteria for funding.

## **Leasing Services**

CFM supports VA by acquiring land for VHA and NCA and by leasing space for construction of medical and medical-related facilities; facilitating intergovernmental transfers, exchanges, disposals, and the acquisition of and granting of easements, licenses, and permits. The office also provides guidance to regional and local VA offices regarding real property. CFM also oversees and administers the Lease Certification Program and Lease Warrant Program for VA.

Specific to leases, CFM is responsible for the procurement of Major Leases and some Minor Leases on behalf of the department. In addition, CFM is responsible for the execution of lease construction from award through acceptance and develops and facilitates effective, standard lease construction management and implementation strategies. The current active lease portfolio totals approximately 6.2 million square feet supporting almost 6 million projected enrolled Veterans in respective markets of these leases. Finally, CFM is responsible for VA's Lease Certification and Lease Warrant Programs for ensuring appropriately warranted Lease Contracting Officers across the department.

For these leased facilities, VA's goal is to provide modern, well-designed healthcare facilities that enable delivery of high-quality care and a positive patient experience to our Veterans.

## **Facility Engineering Support**

CFM provides support regarding compliance with codes, regulations, historic preservation, cultural resource laws, and Executive Orders. CFM provides ad hoc architectural and engineering services to VA facilities, and oversees Facility Condition Assessments and Electrical Studies. CFM also conducts technical quality reviews for the State Home Construction Grant program.

## **Facility Planning Support**

CFM is responsible for VA's national quality design and construction standards, including master specifications, design guides, technical manuals, and design alerts. CFM also manages several national programs such as the seismic and natural or manmade disaster preparedness program, various sustainability compliance programs, construction cost budgeting and estimating programs, environmental protection and historic preservation programs, and supports the Fisher House and State Home Construction Grant programs. CFM provides master planning and project planning expertise, resources, and tools to facilitate facility planning for VA Administrations and Staff Offices. CFM provides healthcare service delivery and facility planning expertise supporting VA's enterprise-wide Strategic Capital Investment Plan (SCIP) and VHA's market studies (96) and national service realignment strategy featured in the MISSION Act.

## **2020 Program Highlights**

- Obligated \$1.387 billion, including \$869 million in funds transferred to the U.S. Army Corps of Engineers for 8 Major Construction super project and \$22.4 million in the Seismic Corrections Program.
- Delivered six major construction project phases at Long Beach, California; Manhattan, New York (two phases); Omaha, Nebraska; Palo Alto, California; and St. Louis, Missouri and four national cemetery phases at Barrancas, Florida; Calverton, New York; Jacksonville, Florida; and Los Angeles, California.
- Managed a large and complex inventory of 65 Major Construction projects valued over \$11 billion; 37 VHA Major Construction projects valued over \$10 billion, which includes the first two projects under the Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016 (CHIP In Act) in Omaha, Nebraska, and Tulsa, Oklahoma, and 28 NCA Major Construction projects valued over \$1 billion.
- Managed a large and complex inventory of Seismic Correction projects valued over \$2.4 billion.
- 2021 Major Lease Awards:
  - To date, GSA awarded two Choice Act 2.0 (2017).
  - By end of 2021, CFM plans to award four Major Leases, one authorized in 2010, two authorized from Choice Act 1.0 (2014), and one from Choice Act 2.0 (2017); and GSA plans to award three from Choice Act 2.0 (2017), and one Minor Lease.
- CFM has accepted five from Choice Act 1.0 (2014) and one from Choice Act 2.0 (2017) and plans to accept seven Major Leases from Choice Act 1.0 (2014) and one from Choice Act 2.0 (2017) by end of 2021. CFM plans to accept four Minor Leases.

- These acceptances expand VHA's clinical space by over 1.1 million net usable square feet.
- CFM is continuing to improve the Major Lease Acquisition Lifecycle by initiating design and due diligence efforts for 20 Major Leases prior to authorization with an intent to reduce the timeline for acquisition, delivery and acceptance.
- CFM is creating leasing resources to improve the Minor Lease Acquisition Lifecycle, including a Lease Toolkit, which is a quick reference guide on VA's leasing authorities; national broker contract; and guidance and assistance in acquiring bridge leases to mitigate short term demand.
- CFM in collaboration with Veterans Health Administration's and the Office of Operations, Security, and Preparedness created a security policy for all delegated leases.
- CFM staff was engaged in more than 85 land transactions to support VHA and NCA's Construction programs; VHA's Fisher House program; and acquiring land for Major Construction projects; managing VA-Department of Defense (DOD) cemeteries from DOD to NCA; managing a pilot for the CHIP-In authority; executing land management actions (e.g., easements, permits); and disposing of unneeded VA property.

#### **Other CFM Activities**

- Managed all technical reviews of 47 State Veteran Home Grants, valued at \$561 million, for VA's State Home Construction Grant Program 2021 Priority List and of 35 State Veteran Home CARES Act Grants, valued at \$124 million. CFM provided continuous programming, design, environmental, historical, cost and construction subject matter expert consultation to the Office of Geriatrics and Extended Care and the states requesting the construction grants.
- Incorporated the latest standards for the Mental Health Design Guide and provided design and construction advice services to the Office of Mental Health. Provided support to the Homeless Grant and Per Diem Program.
- Provided extensive architectural, engineering, scheduling, and other technical consultant services to VA Medical Centers for budget development; review of capital projects, operations and maintenance issues, scheduling and estimating for the preparation of VA's Major Construction budget, environmental compliance, historic preservation consultation, and cost control assistance for projects under design with a value of \$5 billion.
- Supported MISSION Act Implementation by providing contract execution and master planning expertise for the VA Market Assessments required to develop VA's National Realignment Strategy.
- Exceeded MISSION Act training requirements, with over 80 percent of staff receiving Facility Engineering and Construction Certification.

**Office of Acquisition, Logistics and Construction**  
**Employment and Obligation Classification**  
(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	168	267	196	304	+108
Field	201	301	211	267	+56
<b>Total , FTE</b>	<b>369</b>	<b>568</b>	<b>407</b>	<b>571</b>	<b>+164</b>
<b>Direct Obligations</b>	\$0	\$0	\$0	\$0	\$0
<b>Offsetting Collections Obligations</b>					
Personnel Compensation	46,924	68,852	51,265	71,942	+\$20,677
Personnel Benefits	16,319	23,334	18,420	26,027	+7,607
Travel	1,239	6,290	1,052	5,196	+4,144
Transportation of Things	137	360	285	335	+50
Rents, Comm. & Utilities	2,949	4,828	5,232	5,036	-197
Printing	-	3	10	3	-7
Other Services	15,496	10,227	14,431	29,341	+14,910
Supplies & Materials	140	235	44	239	+196
Equipment	0	1,722	447	527	+80
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Offsetting Collections Obligations</b>	<b>83,205</b>	<b>115,851</b>	<b>91,186</b>	<b>138,647</b>	<b>+47,461</b>
<b>Total, Obligations</b>	<b>\$83,205</b>	<b>\$115,851</b>	<b>\$91,186</b>	<b>\$138,647</b>	<b>+\$47,461</b>

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## *Veterans Experience Office*

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### **Mission**

The Department of Veterans Affairs (VA) is committed to providing the best experiences in its delivery of care, benefits and memorial services to Veterans, Service members, their families, caregivers and survivors. VA has established customer experience (CX) as a core capability in the Department through the Veterans Experience Office (VEO), and has permanently codified CX Principles as part of VA's Core Values and Characteristics in 38 C.F.R. § 0.603.

VEO is VA's lead organization for CX at VA and reports directly to the Secretary. VEO supports VA in the Department's modernization efforts to become a premier CX organization by bringing industry best practices to VA service design and delivery. VEO accomplishes this through four core CX capabilities: real-time CX **data**, tangible CX **tools**, modern CX **technology**, and targeted CX **engagement**. These capabilities empower employees to deliver outstanding experiences to Veterans, their families, caregivers and survivors through actionable real-time CX data and predictive analytics; concrete CX tools such as the VA Welcome Kit and accompanying guides, training and implementable best practices; user-friendly, modern technology; and personal engagement with VA customers.

Because of VA's leadership in CX, VA/VEO was designated as Lead Agency Partner for the President's Management Agenda (PMA) Cross-Agency Priority (CAP) Goal<sup>32</sup> on Improving Customer Experience with Federal Services from 2018-2020. VEO's support of this goal has included sharing lessons learned in standing up a CX capability in government using industry best practices; advising on standard, government-wide CX metrics; supporting the design of a Federal CX framework to institutionalize CX capabilities across government; and providing human-centered design (HCD) support to map the Veteran journey across Federal Agencies. VEO will continue to drive implementation of the spirit and intent of this initiative in 2022 and beyond.

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<sup>32</sup> See President's Management Agenda, available at: [www.performance.gov/PMA/](http://www.performance.gov/PMA/); Improving Customer Experience with Federal Services CAP Goal, available at: [www.performance.gov/CAP/cx](http://www.performance.gov/CAP/cx)

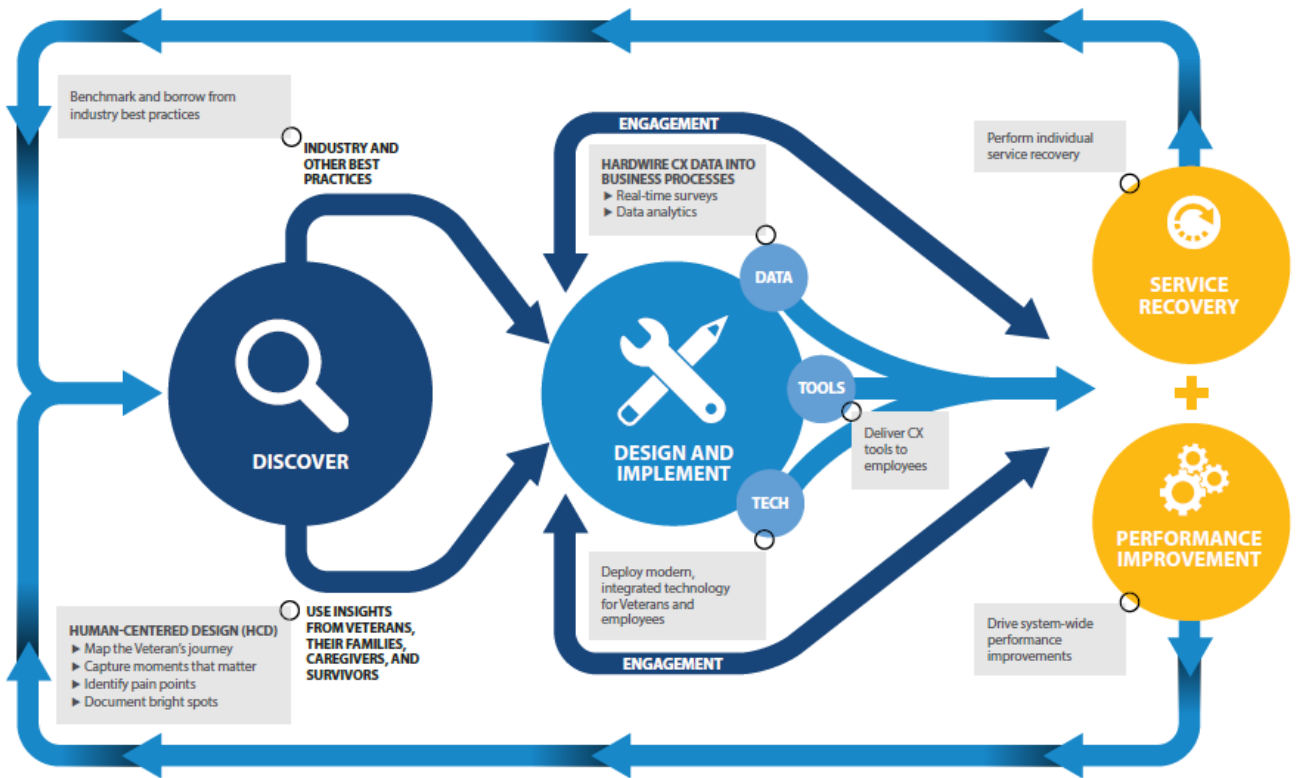


Figure 1 VA's CX Framework and Core Capabilities

## Veterans Experience Office Budgetary Resources

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$0	\$0	\$0	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	-	11,556	-	-
Offsetting Collections	80,276	72,188	93,158	99,499
<b>Total, Budgetary Resources</b>	<b>\$80,276</b>	<b>\$83,744</b>	<b>\$93,158</b>	<b>\$99,499</b>
<b>Total Obligations</b>	<b>80,276</b>	<b>83,744</b>	<b>93,158</b>	<b>99,499</b>
<b>Year End Balances</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Veterans Experience Office**  
**Summary of Budget Request**  
(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
National HQ VEO Staff	\$0	\$4,592	\$0	\$0
Portfolio Management	-	2,119	-	-
Multichannel Technology	-	4,845	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$0</b>	<b>\$11,556</b>	<b>\$0</b>	<b>\$0</b>
<b>Offsetting Collections</b>				
National HQ VEO Staff	\$12,642	\$2,750	\$12,155	\$12,548
Portfolio Management	1,719	50	1,956	2,406
Veterans Experience Data: Enterprise Measurement & Design	13,014	13,205	16,078	14,005
Veterans Experience Tools and Implementation	7,723	9,415	8,535	9,966
Multichannel Technology	41,913	42,182	51,055	55,703
Veterans, Family and Community Engagement	3,266	4,586	3,379	4,871
<b>Subtotal, Offsetting Collection</b>	<b>\$80,276</b>	<b>\$72,188</b>	<b>\$93,158</b>	<b>\$99,499</b>
<b>Total, Obligations</b>	<b>\$80,276</b>	<b>\$83,744</b>	<b>\$93,158</b>	<b>\$99,499</b>

## Veterans Experience Office Summary of FTE Request

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
National HQ VEO Staff	0	28	0	0
Portfolio Management	-	13	-	-
Multichannel Technology	-	28	-	-
<b>Subtotal, Direct FTE</b>	<b>0</b>	<b>69</b>	<b>0</b>	<b>0</b>
<b>Offsetting Collections</b>				
National HQ VEO Staff	18	0	24	35
Portfolio Management	10	-	11	13
Veterans Experience Data: Enterprise Measurement & Design	18	35	22	35
Veterans Experience Tools and Implementation	35	48	39	51
Multichannel Technology	28	48	66	134
Veterans, Family and Community Engagement	19	23	19	23
<b>Subtotal, Offsetting FTE</b>	<b>128</b>	<b>154</b>	<b>181</b>	<b>291</b>
<b>Total, FTE</b>	<b>128</b>	<b>223</b>	<b>181</b>	<b>291</b>

VEO is requesting \$99.5 million in reimbursable authority to support 291 FTE to accomplish its mission in 2022. Demand for VEO services continues to rise, with a nearly 200% increase in demand for VEO capabilities from 2019 to 2020. VEO's 2022 request will be derived from VA's three Administrations, the Veterans Health Administration (VHA), VBA, and National Cemetery Administration (NCA), and Staff Offices such as the Office of the Secretary (OSVA), Board of Veterans' Appeals (BVA) and others, as appropriate. In an effort to streamline support to the White House VA Hotline, the 2022 budget requests to realign 48 FTE from VHA to VEO. These 48 FTE have been operationally tied to and funded by VEO through their work as call agents for the White

House VA Hotline and were administratively aligned to VHA. However, the realignment will streamline operational authority and consolidate administrative support functions into VEO.

VEO developed and implemented core CX capabilities and an operating framework to institutionalize CX at VA. In November 2020, VEO highlighted some of the accomplishments of these capabilities and framework in VA's Customer Experience Accomplishments Report (<https://www.va.gov/ve/docs/cx/customer-experience-accomplishments.pdf>) which details 71 major VA initiatives to improve customer service for Veterans, their families, caregivers and survivors. In 2022, VEO will deliver key CX programs, including development and sustainment of VA-wide real time CX surveys, HCD research and journey maps; patient experience tools, training, leadership practices, and other best practices and products for health care, benefits, appeals and memorial services; state-of-the-art VA-wide technology modernization to support VA.gov, unified contact center data to provide a single integrated view of Veteran contacts and concerns, 24/7 Veteran hotline operations, and other initiatives; and nationwide engagement to locally connect Veterans, their families, caregivers and survivors with community partners and resources.

In addition to the continued development and implementation of VEO's core CX capabilities of data, tools, technology and engagement across the Department, VEO has other planned initiatives to scale and sustain CX as a core business discipline at VA now and in the future. Specifically, VEO seeks to develop the VA Customer Experience Institute (VACXi), initially offering core CX curriculum in a pilot with VHA through the Patient Experience University (PXU). This program seeks to build CX practitioners through a blend of learning and practical application to local CX projects that will drive experience improvements. In addition, as a leader in CX implementation in government, VEO continues to share its CX best practices, lessons learned, and core CX curriculum with CX practitioners across the Government with publications such as the CX Cookbook (<https://www.va.gov/ve/docs/cx/customer-experience-cookbook.pdf>). Products such as these provide others in Government seeking to build or mature their CX capabilities a starting point for their journey.

VEO will also further develop and refine the VA-wide Employee Experience (EX) program. Modeling after VEO's established CX framework, the EX program is leveraging VEO's proven data, tools, technology and engagement capabilities to build and support a positive culture of employee experience to enable the delivery of world class experiences to Veterans, their families, caregivers and survivors. In 2020, the program developed VA's first [EX journey map](#) (from recruitment to retirement) through HCD interviews with VA employees across the country ranging from physicians, benefits administrators, custodial staff and analysts. The input received from those interviews were the crux of the journey map. This map covers 23 career stages any VA employee may encounter, organizes those stages into five phases which employees' goals and aspirations are distinctly different and highlights 30 key moments that matter to employees. The EX journey map identified several key map points EX will also be developing VA's first, near real-time, digital listening capability for employees to share immediate feedback, including recommendations for service recovery and continuous program improvements. One of those key moments is onboarding which refers to the mechanism through which new employees acquire the necessary knowledge, skills and behaviors to become effective VA employees. VEO is conducting

a deep dive on this experience in order to better understand the process and to make recommendations on how to improve it.

## **Program Description and Accomplishments**

To fulfill its mission, VEO delivers unique capabilities of CX data, tools, technology and engagement that together enable the Department to identify customer needs and pain points, design service delivery improvements around the customer, and deploy tangible solutions in partnership with Administrations and Staff Offices. In this regard, VEO supports VA's modernization efforts by hardwiring CX into VA strategy and decision-making. Some examples of transformational initiatives led or supported by VEO include real time CX surveys, HCD research, patient experience tools and implementation, contact center modernization, digital modernization, service recovery, and community engagement in close collaboration with all Administrations and Staff Offices.

### **Veteran Experience Data: Enterprise Measurement and Design**

VEO's CX data capability brings industry best practices to VA by employing HCD techniques and direct interviews with Veterans, their families, caregivers and survivors to gather and analyze qualitative data to drive improved service delivery based on the voice of the Veteran. This capability enables the Department to validate pain points and areas for improvement with Veterans before applying resources to address these issues. This qualitative data also creates a consistent shared understanding about VA's customers and how they feel about their interactions with VA. VEO thus brings the voice of the Veteran to the forefront. In 2022, VEO is increasing its in-house HCD capabilities and building internal HCD capacity to provide those services efficiently to the Department through project-based learning opportunities.

This capability also provides quantitative data about the Veteran's interactions with VA by capturing and analyzing CX input in real-time using an industry best-in-class framework and a modern, web-based platform utilized by leading customer service companies in the private sector. This allows the Department to view VA's performance from the Veteran's perspective and holds VA accountable to Veterans. Modeling after industry, VEO gathers multiple tiers of CX input to drive improved service delivery based on customer input:

- ***VA Enterprise Trends:*** a snapshot of VA performance overall across all service lines, measuring ease, effectiveness, emotion and trust, and used to monitor VA's progress towards increasing Veterans' trust.
- ***Service-Level Patterns:*** tracking and analyzing customer experiences by service line in real-time to improve VA performance and provide transparency in service areas in need of improvement; consists of an online survey pushed to customers after service delivery.

Since VEO's creation in 2015, VEO deployed surveys for 14 lines of business, sent 33 million surveys, receiving 5.7 million survey responses from Veterans and 2.3 million free-text responses. Through this data, VEO worked with stakeholders and identified opportunities in service recovery and systems improvement that dramatically increased Veteran trust in VA. VA-wide trust currently

stands at 79%, representing a 24% increase between 2016 and the 2020. Through the CX survey data, VEO also deployed algorithms to detect free-text responses from Veterans that may be at risk for suicide and homelessness. As a result, over 3,000 suicide alerts have been immediately routed to the Veterans Crisis Line and more than 750 alerts sent to the National Call Center for Homeless Veterans. In response to the COVID-19 pandemic, VEO utilized this capability to quickly launch three COVID-19 focused surveys. The intent of these surveys was to further understand Veterans' comfortability with their care, either in-person or via telehealth.

### **Veteran Experience Tools and Implementation: Patient Experience and Benefits Experience**

VEO's tools and implementation arm deploys VA-wide CX initiatives including a VA-wide Patient Experience Program. Learning from industry leaders in health care, such as the UCLA Medical Center, Mayo Clinic, Cleveland Clinic, and Beryl Institute, VEO continues to enhance and deploy this comprehensive program in 2021 and continue in 2022, which infuses CX best practices into the day-to-day culture and operations at VHA facilities nationwide. Foundational patient experience tools consist of CX training for leaders and employees and improvements to navigation services by phone and in-person. In addition to modeling after industry best practices, this framework was designed around patient experience journey maps, an HCD assessment that identifies the critical moments of a Veteran's interactions with VA. Through that identification, VEO created and scaled tangible tools, including Own the Moment Training, the Red Coat Ambassador Program, WECARE Leadership Rounding, to improve the patient experience. One of these tools, Own the Moment Training, encourages the delivery of positive customer experiences by encouraging VA staff to connect emotionally with customers. Since its establishment in 2017, more than 95,000 VHA full-time employees have attended this training. Another tool, the Red Coat Ambassador Program, was launched to scale across VHA facilities in November 2017 and has been adopted by 147 facilities. This program outfits volunteers and employees with red coats or vests to greet and assist Veterans, their families and caregivers with wayfinding information and provide a common information tool for visitors to different medical facilities.

These tools have been instrumental in the increase in Veteran's trust in VA and enable significant cost avoidance due to delivery of VEO services in-house. Specifically, VHA outpatient trust increased by 4% (85% in 2017 to 89% in 2020). In the recent Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) results, 70% of the most improved facilities worked with VEO. Further, VHA is currently improving in patient experience at a faster rate than the private sector for Inpatient Care, with VHA showing 1% average improvement per year, compared with private sector's average of 0.5% improvement annually. Notably, by implementing the Patient Experience Program with VHA in-house by VEO, VA has avoided at least \$30 million in costs had comparable services instead been procured through outside vendor support.

VEO will continue to apply these tools and developing others using its CX framework in support of VBA, NCA, BVA and other Staff Offices in 2022 and beyond. In November 2020, VEO published an update to the VA Welcome Kit with accompanying guides to VA benefits and services on key topics such as: how to apply for VA health care, getting started with mental health services, applying for disability ratings, applying for education benefits, getting started with caregiver benefits, and applying for survivor benefits. These guides serve as navigation aides to

assist Veterans, their families, caregivers and survivors in accessing VA benefits and services. Since being published in 2018, VEO printed more than 260,000 copies of the VA Welcome Kit, with an additional 700,000 digital downloads. Distribution of these products went to more than 500 facilities across VA and to all 56 State/Territory Commissioners/Directors of Veterans Affairs as well as Veteran Service Organizations (VFW, DAV, American Legion, etc.) and post-9/11 Veterans Organizations (Team Red, White and Blue, Team Rubicon, Mission Continues, etc.) to ensure the widest dissemination among Veterans, their families, caregivers and survivors. In 2020, VEO created five new guides to assist Veterans, their families, caregivers and survivors – Understanding the Modernized Decision Review Process (Appeals Modernization Act), Applying for Burial in a VA National Cemetery and for Memorial Products, Applying for Survivor Benefits, Understanding Community Care (MISSION Act) and Accessing Urgent Care (MISSION Act). In addition, in response to Veterans without computer/phone access, VEO created a COVID-19 guide as a resource to be printed by care providers and community partners. VEO also tailored its signature CX Own the Moment training for NCA and BVA, leaving those trained with an increased understanding of CX principles and ways to incorporate those principles and other CX concepts into their daily duties.

### **Multi-Channel Technology**

VEO's multi-channel technology capability sponsors VA-wide, integrated technology solutions for Veterans and their families to make their online and telephonic interactions with VA easier and on par with industry. This capability seeks to create a unified customer experience and unified view of the customer for VA employees through integrated technology platforms, including VA.gov and across contact centers. These improvements are designed using industry best practices and support from top industry technologists from U.S. Digital Service to be easily understandable and accessible to all Veterans, their families, caregivers and survivors so they may seamlessly navigate VA and non-VA services.

One project that assists with creating a unified customer experience is VA Profile, a data management initiative that synchronizes Veteran data across VA's systems, thereby creating a comprehensive Veteran customer profile. From their first interaction with VA, Veterans are "known" because of VA Profile. VA Profile now stores contact information for 14.7 million Veterans. VEO also collaborated with the Office of Information Technology and U.S. Digital Service to give Veterans the ability to update their profile on VA.gov, where they can also find VA locations, request records, and apply for or manage their benefits. This self-service option already facilitated over 686,000 updates to Veterans' profiles. VA Profile is improving data quality resulting in a steady decline in address errors fostering timely and accurate delivery of prescriptions and mail. In April 2020, VA Profile began sharing contact, health plans, and benefits information with the new Electronic Health Record system. Starting July 2020, providers and Veterans were able to communicate about mental health assessments through the MyHealth Checkup Mobile app that leverages VA Profile phone numbers and emails.

As part of VEO's role in sponsoring VA-wide Contact Center Modernization, VEO established a tier 1 contact center in 2019 to provide services such as general inquiry, directory assistance, and enterprise help desk for digital services and provided a connection to the Veterans Crisis Line and the Homeless Veterans Crisis Line for quick access to services and support from caring and trained responders. In 2020, VEO's tier 1 call center served as the single number for non-clinical COVID-



19 information. VEO also deployed “Option 0” to connect callers to a 24/7 live agent, providing customers with the fastest resolution to their inquiry possible. In September 2020, the Veterans Relationship Management Program Management Office and their 24 FTE were formally realigned from VBA to VEO.

VEO continued to work with the Office of Information Technology to update and enhance VA.gov. The redesign included enhanced and addition of features such as: online prescription requests, appointment scheduling and enrollment. In the past 12 months, 6.2 million visitors completed more than 27 million transactions on the redesigned website. In 2020, VEO also assisted in the migration of eBenefits to VA.gov. The migration empowers Veterans and their stakeholders to navigate the benefits process online and reduce the processing time for benefits.

### **Veterans, Family and Community Engagement**

VEO’s community engagement capability connects with neighboring establishments and partners to improve the coordination of organizations, governmental and non-governmental, serving Veterans and their families where they live and work. VEO assists in connecting Veterans with local resources through the development of Community Veteran Engagement Boards (CVEBs), Veteran-Friendly Communities, and other strategic relationships. This initiative encourages area partnerships focused on the role communities play in a Veteran’s quality of life, and provides a formal avenue to highlight CVEB practices that best strengthen the Veteran partnership. These recommended practices are shared with other communities seeking to build and improve similar Veteran advocacy networks. These efforts directly impact Veterans by providing connections to resources specific to a local environment. There are currently 163 CVEBs positioned across the United States, with a combined catchment area of 13.6 million Veterans. Additionally, VEO sponsors the Choose Home initiative, which seeks to enable all Veterans, their families and caregivers in achieving their desire to remain at home for their care through delivery of the highest quality comprehensive home and community-based care, benefits and services in the places in which they live.

Through community engagement VEO is works with the Administrations to coordinate Veterans Experience Action Centers (VEACs). VEACs are large-scale, comprehensive Veteran resource events scheduled in collaboration with local VA facilities and local communities to provide Veterans, their families, caregivers and survivors access to VA services. Since 2017, nine in-person VEACs were executed, assisting over 6,500 Veterans, their families, caregivers and survivors with information about VA care and services and in filing over 2,000 claims and appeals. In 2020, VEO pivoted from in-person VEACs to virtual VEACs in response to the COVID-19 pandemic. Virtual VEACs allow Veterans, their families, caregivers and survivors to schedule appointments to discuss issues with VA representatives. Utilizing a virtual call center with a base of agents (state/county Veterans Service Organizations (VSO)) contacting the individuals to address their issues. If the VSO representative was unable to address the issues, they were transferred to the appropriate VA representative. VEO held its first ever virtual VEAC with Florida Veterans. The 3-day event assisted more than 400 Veterans with information and access to VA services. In 2022, VEO will continue to build the virtual VEAC capability in states around the country.

From the VEACs, VEO launched Community Signals (CSignals) Surveys. CSignals is VA's first ever way to measure experience at outreach events to show impact. These surveys are targeted to VEAC event attendees to capture participant perceptions about their access to, and the impact of, VA and local community resources and services provided to Veterans, their families, caregivers and survivors. CSignals is digitally distributed to communities as a supplement to other listening and collaboration activities.

In 2020, VEO continued its proactive engagement through targeted outreach with VA's weekly newsletter, VetResources, and VEText. VetResources provides its 11.6 million subscribers information and links to VA and non-VA resources and information. Since starting in June 2019, the newsletter has been opened more than 235 million times prompting 43 million clicks to VA and non-VA resources. Utilizing contact information from VA Profile, VEO assisted with targeted messaging to Veterans through VEText. Initially developed to provide appointment reminders, VEO was able to assist with creating and sending three batches of text messages to VA customers resulting in 24.3 million total texts with timely information and resources about VA's services and support during COVID-19.

Through VEO's partnerships, five Veteran Experience Live (VetXL) events were launched. VetXL events provide live question and answer on topics of interest for Veterans, their families, caregivers and survivors on RallyPoint. These events resulted in 2.1 million viewers and over 4,400 questions from Veterans, their families, caregivers and survivors, which were responded to by VA and community partners. Topics included: hiring Veterans, minority Veterans, and women Veterans.

In response to COVID-19 questions and concerns from the community, VEO planned and executed seven virtual learning events featuring VHA, NCA and VA strategic partners on topics such as whole health, mental health, caregiver support, community care, telehealth and the Veterans Legacy Memorial.

## **Budget Highlights**

The 2022 request supports VEO's continued efforts to modernize the Department to provide premier customer experiences to Veterans, their families, caregivers and survivors. Modernization, accountability and access are the cornerstones of VEO initiatives that continue to hardwire CX as a core business discipline at VA. VA's enterprise-wide CX capabilities and results have made the Department a leader in CX implementation in government, and demand for VEO services increased by nearly 200% from 2019 to 2020. VEO will continue to drive collaborative CX improvement projects and programs to enhance the Veteran Experience, including through enterprise wide initiatives like Contact Center Modernization, Digital Modernization, Service Recovery Modernization, White House / VA Hotline operations and strategic community engagement, as well as through specific business line efforts through the Patient Experience and Benefits Experience Programs, real time CX surveys and HCD practice, and others. VEO's requested funding increase would ensure that VA CX program objectives are met to meet increasing demand.

**Accountability Initiatives** – holding VA accountable to Veterans, their families, caregivers and survivors by capturing Veteran input, tracking concerns, and improving service delivery based on the voice of the customer.

- **Contact Center Modernization:** Leading efforts to design and implement a comprehensive modernization plan to effectively and efficiently field, triage, track and address issues and concerns using industry best practices and unified data platforms, with additional, enhanced multi-channel features (text, email, chat).
- **Service-Level Measurement:** Expanding and maturing simple 1-5 question surveys across VA business lines in healthcare and benefits on specific transactions identified by Veterans as moments that matter. Each survey is conducted nationwide with results available at local and national levels through a modern, web-based unified dashboard used by industry leaders. Survey results and predictive analytics are used to identify performance improvement opportunities and forecast emerging issues before they intensify.

**Access Initiatives** – Ensuring that input and needs of Veterans, their families, caregivers and survivors are included in designing better service delivery, and that information is easily accessible to them through multiple channels (online and by phone).

- **Virtual VEACs:** Partnering with community stakeholders and VA business lines to address questions from Veterans about VA benefits and services, targeting local areas for a focused, strategic approach. With the successful virtual VEAC pilot conducted in 2020, VEO will scale the model and expand it across the country.
- **Veterans' Families, Caregivers and Survivors Federal Advisory Committee:** Exploring opportunities to highlight and improve benefits and services available to family members, caregivers and survivors. This Committee provides advice on matters related to Veterans' families, caregivers and survivors across all generations, relationships and Veteran status. The focus is better understand the use of VA care and benefits services as well as factors that influence access, quality and accountability for those services.
- **Digital Modernization:** Enhancing a single, unified website where Veterans, their families, caregivers and survivors can easily navigate and manage their interactions with VA by smartphone or computer. VEO will continue designing, building and testing robust functionality and features. The goal is to enable Veterans to engage with VA online in one place and easily navigate VA benefits and services through self-service tools that mirror those found in the private sector.

## Veterans Experience Office Employment and Obligation Classification

(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	79	152	112	169	57
Field	49	71	69	122	53
<b>Total , FTE</b>	<b>128</b>	<b>223</b>	<b>181</b>	<b>291</b>	<b>110</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$0	\$8,873	\$0	\$0	\$0
Personnel Benefits	-	2,677	-	-	-
Supplies & Materials	-	6	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$0</b>	<b>\$11,556</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Offsetting Collections Obligations</b>					
Personnel Compensation	\$16,626	\$19,916	\$23,801	\$34,426	\$10,624
Personnel Benefits	5,375	6,334	8,387	10,174	1,787
Travel	519	1,824	750	1,500	750
Rents, Comm. & Utilities	249	1,459	1,000	1,500	500
Printing	150	121	150	150	-
Other Services	57,249	41,987	58,820	51,600	-7,220
Supplies & Materials	110	109	250	100	-150
Equipment	-	438	-	50	50
<b>Subtotal, Offsetting Collections Obligations</b>	<b>\$80,276</b>	<b>\$72,188</b>	<b>\$93,158</b>	<b>\$99,499</b>	<b>\$6,341</b>
<b>Total, Obligations</b>	<b>\$80,276</b>	<b>\$83,744</b>	<b>\$93,158</b>	<b>\$99,499</b>	<b>\$6,341</b>



## Office of Accountability and Whistleblower Protection

### Mission Statement

The Office of Accountability and Whistleblower Protection (OAWP) protects whistleblowers and promotes and improves accountability within the Department of Veterans Affairs (VA). OAWP is led by the Assistant Secretary for Accountability and Whistleblower Protection.

OAWP was established in 2017 and its functions are codified at 38 U.S.C. § 323. OAWP advises the Secretary of Veterans Affairs on all matters related to accountability within VA. OAWP improves and promotes accountability in VA by investigating allegations of VA senior leader misconduct and poor performance and allegations of whistleblower retaliation. OAWP confidentially receives whistleblower disclosures from VA employees and applicants for VA employment. OAWP tracks and confirms the implementation of recommendations from audits and investigations conducted by several internal and external investigative entities. OAWP identifies trends so that VA can proactively address concerns and improve accountability.

### Summary of Budget Request

#### Office of Accountability and Whistleblower Protection Budgetary Resources

(\$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Budgetary Resources</b>				
Unobligated balance brought forward, Oct. 1	\$0	\$0	\$0	\$0
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-
Appropriation	22,166	26,422	22,720	26,502
Offsetting Collections	-	-	-	-
<b>Total, Budgetary Resources</b>	<b>\$22,166</b>	<b>\$26,422</b>	<b>\$22,720</b>	<b>\$26,502</b>
<b>Total Obligations</b>	<b>14,714</b>	<b>26,422</b>	<b>22,720</b>	<b>26,502</b>
<b>Year End Balances</b>	<b>\$7,452</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Office of Accountability and Whistleblower Protection**  
**Summary of FTE Request**

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Accountability and Whistleblower Protection	79	125	108	135
<b>Subtotal, Direct FTE</b>	<b>79</b>	<b>125</b>	<b>108</b>	<b>135</b>
<b>Offsetting Collections</b>				
<b>Subtotal, Offsetting FTE</b>				
<b>Total, FTE</b>	<b>79</b>	<b>125</b>	<b>108</b>	<b>135</b>

**Office of Accountability and Whistleblower Protection**  
**Summary of Budget Request**

(\$ thousands)

Office	2020 Actual	2021 Request	2021 Enacted	2022 Request
<b>Direct</b>				
Office of Accountability and Whistleblower Protection	\$14,714	\$26,422	\$22,720	\$26,502
<b>Subtotal, Direct Obligations</b>	<b>\$14,714</b>	<b>\$26,422</b>	<b>\$22,720</b>	<b>\$26,502</b>
<b>Offsetting Collections</b>				
<b>Subtotal, Offsetting Collection</b>				
<b>Total, Obligations</b>	<b>\$14,714</b>	<b>\$26,422</b>	<b>\$22,720</b>	<b>\$26,502</b>

## Explanation of Changes

For 2022, OAWP is requesting \$26.5 million, which includes funding for 135 full-time equivalent employees (FTE). This is \$3.78 million above the 2021 enacted budget and includes realignment of funding within OAWP for an additional 27 FTE. This increase will allow OAWP to implement the tracking and confirmation and data analytics functions prescribed under 38 U.S.C. § 323 and to continue to conduct thorough and timely investigations into whistleblower disclosures, allegations of senior leader misconduct and poor performance, and whistleblower retaliation.

## Program Description

OAWP protects whistleblowers and promotes and improves accountability within VA by:

- Advising the Secretary on all matters relating to accountability within VA.
- Receiving whistleblower disclosures from VA employees and applicants for employment.
- Referring whistleblower disclosures for investigation to VA Administrations or Staff Offices, if the disclosure does not involve senior leader misconduct or poor performance or allegations of whistleblower retaliation.
- Receiving, reviewing, and investigating allegations of senior leader misconduct and poor performance.
- Receiving, reviewing, and investigating allegations of whistleblower retaliation by VA supervisors.
- Making recommendations to VA for disciplinary and corrective action if OAWP substantiates allegations of senior leader misconduct or poor performance or allegations of whistleblower retaliation.
- Receiving and referring disclosures from the U.S. Office of Special Counsel (OSC) for investigation within VA.
- Tracking and confirming implementation of recommendations issued by OAWP.
- Recording, tracking, reviewing, and confirming the implementation of recommendations from audits and investigations carried out by VA's Office of Inspector General (OIG), VA's Office of the Medical Inspector (OMI), OSC, and the U.S. Government Accountability Office (GAO).
- Analyzing data to identify trends and issue reports to the Secretary.
- Educating VA employees about whistleblower rights and protections training.

## Investigations Directorate

The Investigations Directorate is led by an Executive Director for Investigations who reports directly to the Assistant Secretary. The Investigations Directorate consists of four divisions:

- Intake and Referral Division: Primary entity within VA that receives, reviews and records all incoming matters involving allegations of senior leader misconduct and poor performance, whistleblower retaliation, and whistleblower disclosures submitted by VA employees or applicants for employment. Whistleblower disclosures that involve allegations of whistleblower retaliation or allegations of senior leader misconduct or poor

performance are transmitted to the Investigations Division for review and investigation. As required by law, other whistleblower disclosures are referred by the division for investigation to VA Administrations and Staff Offices. The division receives and refers disclosures from OSC for investigation within VA. The division implements whistleblower protection holds on disciplinary actions taken under 38 U.S.C. § 714.

- Investigations Division: Primary entity within VA that investigates allegations of VA senior leader misconduct and poor performance and allegations of whistleblower retaliation by VA supervisors. If allegations are substantiated, the Executive Director for Investigations (or designee), make recommendations for disciplinary, corrective, and other action on behalf of the Assistant Secretary.
- Quality Division: Conducts quality assurance for OAWP's investigative processes to identify systemic deficiencies in how OAWP receives, reviews, refers, and investigates cases.
- Operations and Training Division: Develops and provides education and training in whistleblower rights and protections required by 38 U.S.C. § 733 and 5 U.S.C. § 2302(c). Oversees VA's certification under OSC's 5 U.S.C. § 2302(c) whistleblower certification program.

## **Compliance and Oversight Directorate**

The Compliance and Oversight Directorate is led by an Executive Director for Compliance and Oversight who reports directly to the Assistant Secretary. The Compliance and Oversight Directorate consists of two divisions:

- Compliance Division: Tracks and confirms the implementation of recommendations issued by OAWP. Primary entity within VA that records, tracks, reviews and confirms the implementation of recommendations from audits and investigations carried out by OIG, OMI, GAO and OSC. The division identifies trends from audits and investigations so that VA can proactively address areas of concern.
- Information Systems Management Division: Implements and maintains OAWP information systems and supports OAWP's portfolio of products, services and processes from research and ideation through detailed design and delivery. The division collaborates with the Compliance Division to identify trends from audits and investigations so that VA can proactively address areas of concern.



## Management and Operations Directorate

The Management and Operations Directorate is led by a Deputy Assistant Secretary who reports directly to the Assistant Secretary. The Management and Operations Directorate consists of two divisions:

- Stakeholder Engagement Division: Manages OAWP relationships with key internal and external stakeholders, to include Members of Congress, Congressional staff, other agencies of government, Veteran Service Organizations, whistleblower advocacy groups and the media. Oversees OAWP's Freedom of Information Act and Privacy Act programs.
- Resource Management and Operations Division: Advises on human resources, budget, contracting, workforce planning, employee engagement, training, and internal management controls.

### Recent Accomplishments:

- OAWP investigations have been faster but equally as thorough as other investigative entities. OAWP instituted Standard Operating Procedures, based on the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Investigations, established completion timelines, intensive investigative training, frequent case reviews by the supervisory chain, and a multilayered review of Investigative work product. OSC, our nearest peer, operates under a statutory 240-day case completion timeline. Our goal is to complete cases, on average, within 120 days, while maintaining the Quality Standards established in our SOP through training, frequent review, and oversight.
- Since September 2019, OAWP made 83 recommendations: 36 disciplinary action recommendations for senior leader misconduct, 26 disciplinary action recommendations for supervisors involving whistleblower retaliation, and 21 non-disciplinary recommendations (e.g., corrective action for whistleblowers); 60 of the 83 recommendations were issued after October 1, 2020.
- OAWP resolved its backlog of over 570 investigative cases, many of which dated back to 2017. OAWP is actively monitoring its inventory and staffing to ensure that such a backlog does not recur.
- OAWP reviewed previously closed whistleblower retaliation allegations from 2017 to 2019 to ensure that those allegations were properly reviewed and, if appropriate, investigated. OAWP identified several allegations that it will re-investigate.
- OAWP revised its standard operating procedures to incorporate a process for whistleblowers to request a re-review of their cases and mandate a complainant interview to identify the allegations that should be investigated.

OAWP launched an Intake Disclosure Portal so that complainants may confidentially submit a whistleblower disclosure electronically using any web enabled device.

OAWP revised its case management system so that it tracks its current processes and provides accurate data.

From October 1, 2020 to February 2021, OAWP implemented 138 whistleblower protection holds for disciplinary actions issued under 38 U.S.C. § 714.

OAWP trained more than 348,000 employees and nearly 33,000 supervisors on whistleblower rights and protections.

- OAWP engaged with over 10 VSOs and whistleblower advocacy groups to solicit feedback on ways it can improve accountability within VA.
- OAWP completed confirmation compliance audit testing on two areas: select credentialing and privileging issues and contract closeout in VHA.
- OAWP started to record and track recommendations issued by GAO, OIG, OMI, and OSC.
- OAWP made significant improvements in our Freedom of Information Act (FOIA) requests, to include establishing standardized processes and training. This has resulted in an elimination of the FOIA backlog, some pending since 2018, and a current average processing time of 15 days for processing requests. In FY 2020, 320 cases were processed and closed.

## Justification for 2022 request

For 2022, OAWP is requesting \$26.5 million, which includes funding for 135 full-time equivalent (FTE) employees. This is an additional \$3.78 million over the 2021 Enacted Budget, and includes realigning funding from contractual services for an additional 27 FTE so that OAWP can use more internal staff than outside contracting to implement the tracking and confirmation and data analytics functions prescribed under 38 U.S.C. § 323 and continue to conduct thorough and timely investigations into whistleblower disclosures, allegations of senior leader misconduct and poor performance, and whistleblower retaliation.

### Office of Accountability and Whistleblower Protection Employment and Obligation Classification

(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	Inc.(+) Dec.(-)
<b>Full Time Equivalent (FTE)</b>					
Central Office	10	57	6 <sup>1</sup>	10	7
Field	69	68	102	125	20
<b>Total, FTE</b>	<b>79</b>	<b>125</b>	<b>108</b>	<b>135</b>	<b>27</b>
<b>Direct Obligations</b>					
Personnel Compensation	\$9,993	\$15,488	\$14,151	\$17,431	\$3,280
Personnel Benefits	3,418	4,868	5,011	6,032	1,021
Travel	88	1,019	23	444	421
Transportation of Things	-	10	2	5	3
Rents, Comm. & Utilities	250	375	202	170	-32
Printing	2	9	1	5	4
Other Services	962	4,546	3,266	2,284	-982
Supplies & Materials	1	58	63	71	8
Equipment	0	49	1	59	58
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$14,714</b>	<b>\$26,422</b>	<b>\$22,720</b>	<b>\$26,502</b>	<b>\$3,782</b>
<b>Offsetting Collections Obligations</b>	<b>-0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total, Obligations</b>	<b>\$14,714</b>	<b>\$26,422</b>	<b>\$22,720</b>	<b>\$26,502</b>	<b>\$3,782</b>

<sup>1</sup> Reflects change in management policy due to pandemic

## 2020 Data

In FY 2020, OAWP received 1,220 disclosures, conducted 411 investigations, and provided oversight for 504 referred investigations.

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*Asset and Infrastructure Review  
Commission*

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**Part 6**

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## *Asset and Infrastructure Review Commission*

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***Budget Request.....\$5,000,000***

### **Appropriation Language**

For carrying out the VA Asset and Infrastructure Review (AIR) Act of 2018 (subtitle A of title II of Public Law 115-182), \$5,000,000, to remain available until September 30, 2023: Provided, That amounts made available under the headings "Construction, Major Projects", "Construction, Minor Projects", "Medical Facilities", and "General Administration" in this Act or prior Acts that remain available for obligation in fiscal year 2022 may be transferred to and merged with the amounts made available under this heading: Provided further, That in advance of any such transfer, the Secretary of Veterans Affairs shall notify the Committees on Appropriations of both Houses of Congress of the amount and purpose of the transfer: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided by law.

### **Program Description**

VA MISSION Act of 2018 (P.L. 115-182), Title II, section 202 established the independent commission to be known as the "Asset and Infrastructure Review Commission" (the Commission). The Commission will review VA's recommendations to modernize, or realign VHA facilities, including leased facilities. The Commission will conduct public hearings and provide a report to the President on the VA's plan along with any additional recommendations from the Commission. The Commission members will be appointed by the President with the consent of the Senate. Support staff will be required to conduct in-depth field hearings to receive input from Veterans, Veterans Service Organizations, local VA providers, and local government. The Commission shall meet only during calendar years 2022 and 2023, and those meetings shall be open to the public, and the staff will begin preparatory work in the first months of FY 2022.

### **Budget Detail**

In 2022, VA requests \$5 million in appropriations to support:

- \$3.1 million for personal services for 20 FTE to support the duties of the Commission.
- \$1.5 million in contract services for specialized program consultants to assist the Commission with analysis and reviews of VA Submissions and provide advice. Contract services will also include report writing and publication of recommendations.

- \$384,000 in travel expenses for travel to the field for hearings and commission members' travel to Washington, D.C. for AIR commission meetings.



**Asset and Infrastructure Review Commission**  
**Employment and Obligation Classification**

(FTE, \$ thousands)

	2020 Actual	2021 Request	2021 Enacted	2022 Request	2022 - 2021 Increase/ Decrease
<b>Full Time Equivalent (FTE)</b>					
Central Office	-	-	-	20	20
Field	-	-	-	0	0
<b>Total , FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>20</b>
<b>Direct Obligations</b>					
Personnel Compensation	-	-	-	\$2,389	\$2,389
Personnel Benefits	-	-	-	716	716
Travel	-	-	-	384	384
Transportation of Things	-	-	-	-	-
Rents, Comm. & Utilities	-	-	-	-	-
Printing	-	-	-	10	10
Other Services	-	-	-	1,500	1,500
Supplies & Materials	-	-	-	1	1
Equipment	-	-	-	-	-
Land & Structures	-	-	-	-	-
Grants, Judgements, Interest & Insurance	-	-	-	-	-
<b>Subtotal, Direct Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b>Offsetting Collections Obligations</b>	-	-	-	-	-
<b>Total, Obligations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$5,000</b>

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## *Office of Inspector General*

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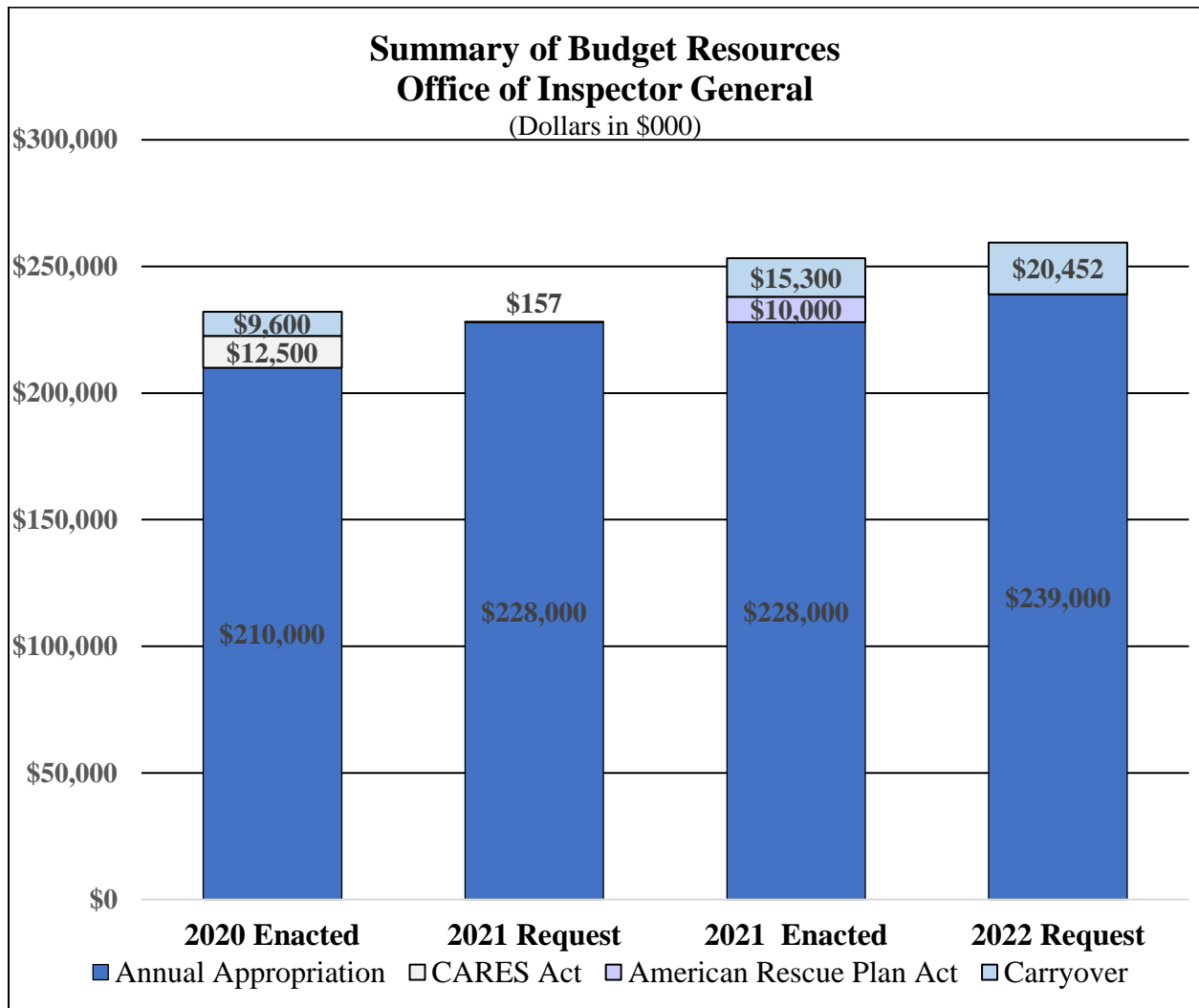
### **Part 7**

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## Office of Inspector General



Note: 2022 SOY carryover is estimated.

(Dollars in Thousands)	2021	FTE	2022	FTE
<b>Office of Inspector General</b>				
Annual Appropriation	\$228,000	1,041	\$239,000	1,064
American Rescue Plan Act	\$10,000	-	-	-
Net Carryover	\$15,300	-	\$20,452 *	36
<b>Total Budgetary Resources</b>	<b>\$253,300</b>	<b>1,041</b>	<b>\$259,452</b>	<b>1,100</b>

\*Estimate includes annual and APR balances

## Summary of Budget Request

The Office of Inspector General (OIG) requests \$239 million for 1,100 FTE in 2022 to support essential oversight of VA’s programs and operations through independent audits, inspections, reviews, and investigations; and for the timely detection and deterrence of fraud, waste, and abuse. With a total dollar impact of over \$4 billion and a return on investment of \$23:1 in 2020, as well as the scores of recommendations to improve the access and quality of healthcare, the additional funding for the OIG is prudent to safeguard the taxpayers’ continued and significant investments in VA and to help improve the services and benefits for veterans and their families. Even before the current public health crisis, maintaining an effective oversight program was a significant undertaking in the context of the complexity of VA’s programs and services, and the VA’s 2021 enacted funding level of \$246 billion. The recent passage of the American Rescue Plan (ARP) Act, which provided an additional \$17.1 billion in supplemental funds to VA, will undoubtedly result in a sustained need for additional oversight, including complex investigations of possible crimes, ranging from allegations that some medical supply manufacturers are engaging in price fixing and price gouging, to claims that some VA employees have been stealing personal protective equipment (PPE) and selling the items for significant personal gain.

In recognition of the value of OIG oversight, Congress, the Office of Management and Budget, and VA have provided strong support to expand operational capacity for several years. This funding translated into an increase of more than 400 onboard staff, from the start of 2014 to the end of 2020, and supported important, new initiatives. Examples of these recent initiatives include the creation of the Veterans Affairs Health Care Fraud Task Force with the Department of Justice to investigate and prosecute complex/significant fraud impacting VA health care programs,<sup>33</sup> rapidly establishing a portfolio of pandemic-related oversight, expanding recurring inspections of regional offices that oversee VA medical facilities to emphasize the quality and stability of leadership, as well as launching a series of program reviews of the quality of compensation claims. Significant achievements in 2020 included

- Completion of an investigation that led to a former nursing assistant pleading guilty to seven counts of second-degree murder and one count of assault to commit murder;
- Publication of two healthcare inspection reports of VHA’s early pandemic response that identified best practices, lessons learned, and opportunities for improvement;

<sup>33</sup> Department of Justice. “The Department of Veterans Affairs - Office of Inspector General and Department of Justice Announce Veterans Affairs Health Care Fraud Task Force.” October 1, 2019. <https://www.justice.gov/opa/pr/department-veterans-affairs-office-inspector-general-and-department-justice-announce-veterans>.

- Arrest of an individual investigated by the OIG for attempting to sell hundreds of millions of dollars of fraudulent PPE to VA and other government entities; and
- Publication of two reports outlining concerns associated with VA's electronic health record modernization efforts which is projected to cost over \$16 billion.

The 2022 budget request and anticipated carryover from 2021 (including ARP funds) will support salaries, pay adjustments, and benefits increases for agency retirement contributions, law enforcement availability pay, and health insurance, for up to 1,100 FTE. This is 59 FTE above the 2021 baseline of 1,041 FTE. The additional investment in the OIG will support continued oversight of the aftermath of the pandemic without diminishing ongoing work. The request will also fund the expansion of multidisciplinary oversight (e.g., joint staff efforts that include auditors, benefits and healthcare inspectors, criminal investigators, attorneys, project managers, and information technology specialists) to detect and deter healthcare fraud, waste, and abuse, the establishment of a special investigations unit to support and coordinate complex and significant healthcare fraud-related initiatives, and additional oversight of other vital issues such as VA governance and leadership and emergency preparedness. For more information regarding the OIG's 2022 request, refer to the Budget Highlights section below.

### **Appropriation Language**

*For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the Inspector General Act of 1978, \$239,000,000 [\$228,000,000] of which not to exceed 10 percent shall remain available until September 30, 2023 [2022].*

### **Mission**

As authorized by the *Inspector General Act of 1978* and other enacted legislation, the OIG is responsible for conducting and supervising audits, inspections, evaluations, reviews, and investigations, and making recommendations to promote economy, efficiency, and effectiveness. The OIG is authorized to inquire into all VA programs and activities, including healthcare programs and VA contracts, grants, and other agreements. The OIG is required to report to Congress on activities and outcomes every six months. These semiannual reports (SARs) keep stakeholders informed about the challenges VA is experiencing and promote transparency for OIG's operations. Under the leadership of the Inspector General (IG) and Deputy IG, the OIG's work focuses on higher-risk, impactful programs and issues throughout VA. For additional information, see the OIG's *Mission, Vision, and Values*, which can be accessed from [www.va.gov/oig](http://www.va.gov/oig).

### **Strategic Plan and Goals**

The OIG's *Strategic Plan 2018–2022*, enhanced by the *Strategic Plan: Implementation Update, February 28, 2021*, outlines the OIG's five goals and objectives in promoting the efficiency, effectiveness, and integrity of VA's programs and operations to better serve the needs of veterans, their families, and caregivers. It also frames OIG strategies for deterring and addressing criminal activity, waste, fraud, and abuse while promoting innovation throughout VA, and builds on

observed and ongoing major management challenges. Examples of recently published reports are presented in the table below.

<p><b>Goal 1. Improve Access to Quality and Timely VA Healthcare Services</b></p> <ul style="list-style-type: none"> <li>• Mammography Program Deficiencies and Patient Results Communication at the Washington DC VA Medical Center, <a href="#">Report No. 20-00563-68</a>, February 25, 2021.</li> <li>• Thoracic Surgery Quality of Care Issues and Facility Leaders’ Response at the C.W. Bill Young VA Medical Center in Bay Pines, Florida, <a href="#">Report No. 18-01321-56</a>, January 13, 2021.</li> <li>• Review of Veterans Health Administration’s COVID-19 Response and Continued Pandemic Readiness, <a href="#">Report No. 20-03076-217</a>, July 16, 2020.</li> <li>• Deficiencies in Virtual Pharmacy Services in the Care of a Patient, <a href="#">Report No. 19-07827-182</a>, June 18, 2020.</li> <li>• OIG Inspection of Veterans Health Administration’s COVID-19 Screening Processes and Pandemic Readiness, <a href="#">Report No. 20-02221-120</a>, March 26, 2020.</li> </ul>
<p><b>Goal 2. Ensure Timely and Accurate Benefits for Eligible Veterans</b></p> <ul style="list-style-type: none"> <li>• VBA Did Not Consistently Comply with Skills Certification Mandates for Compensation and Pension Claims Processors, <a href="#">Report No. 20-00421-63</a>, March 3, 2021.</li> <li>• VA Needs Better Internal Communication and Data Sharing to Strengthen the Administration of Spina Bifida Benefits, <a href="#">Report No. 20-00295-61</a>, February 23, 2021.</li> <li>• Posttraumatic Stress Disorder Claims Processing Training and Guidance Need Improvement, <a href="#">Report No. 20-00608-29</a>, December 9, 2020.</li> <li>• Telehealth Public-Use Questionnaires Were Used Improperly to Determine Disability Benefits, <a href="#">Report No. 19-07119-80</a>, February 18, 2020.</li> <li>• Veterans Received Inaccurate Disability Benefit Payments After Reserve or National guard Drill Pay Adjustments, <a href="#">Report No. 18-05738-56</a>, February 11, 2020.</li> </ul>
<p><b>Goal 3. Help Facilitate Strong Stewardship of Taxpayer Dollars</b></p> <ul style="list-style-type: none"> <li>• Insufficient Oversight for Issuing Prosthetic Supplies and Devices, <a href="#">Report No. 18-00972-38</a>, February 11, 2021.</li> <li>• Audit of VA’s Financial Statements for Fiscal Years 2020 and 2019, <a href="#">Report No. 20-01408-19</a>, December 14, 2020.</li> <li>• VA Should Examine Options to Expand Retail Pharmacy Drug Discounts, <a href="#">Report No. 19-07281-105</a>, June 30, 2020.</li> <li>• A Synopsis of Preaward Reviews of VA Federal Supply Schedule Pharmaceutical Proposals Issued in Fiscal Year 2019, <a href="#">Report No. 20-00010-151</a>, June 30, 2020.</li> <li>• Summary of Fiscal Year 2019 Preaward Reviews of Healthcare Resources Proposals from Affiliates, <a href="#">Report No. 20-00184-153</a>, June 25, 2020.</li> </ul>
<p><b>Goal 4. Identify Weaknesses in Leadership and Governance</b></p> <ul style="list-style-type: none"> <li>• Senior VA Officials’ Response to a Veteran’s Sexual Assault Allegations, <a href="#">Report No. 20-01766-36</a>, December 10, 2020.</li> <li>• Veterans Crisis Line Challenges, Contingency Plans, and Successes During the COVID-19 Pandemic, <a href="#">Report No. 20-02830-05</a>, October 28, 2020.</li> <li>• Waste and Abuse by the Former Assistant Secretary for Human Resources and Administration, <a href="#">Report No. 19-00230-190</a>, July 8, 2020.</li> <li>• Attorney Misconduct, Inadequate Supervision, and Mismanagement in the Office of General Counsel, <a href="#">Report No. 18-06501-158</a>, June 24, 2020.</li> <li>• Manipulation of Radiology Reports and Leadership Failures in the Medical Imaging Service at Clement J. Zablocki VA Medical Center in Milwaukee, Wisconsin, <a href="#">Report No. 18-06074-123</a>, April 29, 2020.</li> </ul>



### Goal 5. Identify Ways to Enhance Information Systems and Innovation

- VA Needs to Comply Fully with the Geospatial Data Act of 2018, Report No. 20-02339-35, January 26, 2021.
- VA's Implementation of the FITARA Chief Information Officer Authority Enhancements, Report No. 18-04800-122, June 9, 2020.
- Review of Access to Care and Capabilities during VA's Transition to a New Electronic Health Record System at the Mann-Grandstaff VA Medical Center in Spokane, Washington, Report No. 19-09447 136, April 27, 2020.
- Deficiencies in Infrastructure Readiness for Deploying VA's New Electronic Health Record System, Report No. 19-08980-95, April 27, 2020.
- Federal Information Security Modernization Act Audit Fiscal Year 2019, Report No. 19-06935-96, March 31, 2020.

## Program Description

The OIG is headquartered in Washington, DC, has staff in over 60 locations throughout the country, and is organized into the seven offices described below.

**Immediate Office of the Inspector General.** The Inspector General (IG) and Deputy IG provide leadership and set strategic direction. The office includes congressional and communications staff, who ensure that requests from legislators and the media are appropriately addressed, staff responsible for electronic report distribution and recommendation follow up, as well as a team of data modeling experts who use data visualizations to inform oversight on emerging issues.

**Office of Counselor to the Inspector General.** OIG attorneys provide legal support for investigations, audits, reviews, and inspections; work with OIG investigators in developing qui tam and False Claims Act matters; represent OIG in employment litigation and personnel matters; and inform legislative proposals and congressional briefings. The Counselor's office also oversees the Release of Information Office, and the Employee Relations and Reasonable Accommodation functions.

**Office of Audits and Evaluations.** Staff are involved in evaluating diverse areas such as healthcare inventory and financial systems, the administration of benefits, resource utilization, acquisitions, construction, and information security. Additionally, this office oversees the following congressionally mandated reviews:

- Consolidated financial statement audit, required by the *Chief Financial Officers Act of 1990*, to assess whether VA's financial statements are free of material error;
- Review of VA's compliance with the *Improper Payments Elimination and Recovery Act (IPERA)*;
- Evaluation of VA's information security programs and controls required by the *Federal Information Security Modernization Act of 2014 (FISMA)*;
- Evaluation of VA's compliance under the *Digital Accountability and Transparency Act of 2014 (DATA Act)*;
- Review of VA's publication of staffing and vacancies under the requirements of the *VA Mission Act of 2018*;
- Audit of VHA's capacity to provide specialized treatment and rehabilitative needs of disabled veterans as required under 38 U.S.C. § 1706;

- Risk assessment of VA’s grant closeout process as required by the *Grants Oversight and New Efficiency Act of 2016* (GONE);
- Report on VA employees who violated agency policies regarding purchase cards or convenience checks and actions taken based on each violation under the requirements of the *Government Charge Card Abuse Prevention Act of 2012*;
- Review of leases and VA’s management of land use at the West LA campus as required under the *West Los Angeles Leasing Act of 2016*;
- Audit of VA’s collection, production, acquisition, maintenance, distribution, use, and preservation of geospatial data by the covered agency as required under the *Geospatial Data Act of 2018*;
- Review of VA’s detailed accounting submission and performance summary report to the Office of National Drug Control Policy as outlined in 21 U.S.C. § 1703 and 1704; and
- Review of VA’s Publication and Acceptance of Disability Benefit Questionnaire Forms pursuant to the *Veterans Health Care and Benefits Improvement Act of 2020*.

Beginning in 2021, the Office of Contract Review was realigned under the Office of Audits and Evaluations, consolidating all the OIG’s audit work within a single directorate. Previously, this office was overseen by the Office of the Counselor. The Office of Contract Review continues to provide preaward, postaward, and other pricing reviews of Federal Supply Schedule, construction, and healthcare provider contracts. Preaward reviews provide VA contracting officers with assistance and information needed to negotiate fair and reasonable prices. Postaward reviews assess compliance with contract terms and conditions and help recover identified overcharges.

**Office of Healthcare Inspections.** The Office of Healthcare Inspections assesses VA’s efforts to maintain a high-quality healthcare program. Staff conduct inspections prompted by OIG Hotline complaints, congressional requests, and other sources; recurring inspections of VA facilities and Veterans Integrated Service Networks (VISNs); and national reviews. Staff also provide consultations to criminal investigators and audit staff and conduct an annual determination of occupational staffing shortages across the VA, as required by the *Veterans Access, Choice, and Accountability Act*.

**Office of Investigations.** The Office of Investigations investigates possible crimes and other violations of law involving VA programs and operations. Staff focus on issues that include benefits and procurement fraud, Service-Disabled-Veteran-Owned Small Business fraud, health care fraud, contract fraud, embezzlement, extortion, bribery, drug diversion, identity theft, cyber-crimes, homicide, sexual assault, and threats against VA employees, patients, facilities and computer systems.

**Office of Management and Administration.** With a multidisciplinary team, this office provides comprehensive support to the OIG, including personnel, financial, budgetary, procurement, space and facilities, information technology, and data analysis and predictive analytics services. The office also oversees the OIG Hotline, which receives, screens, and refers contacts for additional action.

**Office of Special Reviews.** This office conducts reviews of significant events and emergent issues not squarely within the focus of existing OIG offices. Staff undertake projects assigned by the IG and work collaboratively with other offices to review topics and issues of interest that span multiple offices, such as community care for veterans.

<b>Office / Directorate</b>	<b>FTEs Onboard</b>
Inspector General	18
Counselor	23
Data Modeling Group	15
Investigations	238
Audits and Evaluations	336
Management and Administration	134
Healthcare Inspections	232
Special Reviews	22
<b>Grand Total</b>	<b>1,018</b>

Note: Onboard staffing levels reflected above are as of September 27, 2020, the beginning of pay period 20.

## Stakeholders and Partners

The OIG's oversight work encompasses all VA programs and operations, services, functions, and funding. Consequently, its stakeholders include the Secretary, VA senior leaders, managers and staff, members of Congress and its staff, veterans service organizations (VSOs), beneficiaries, taxpayers, affiliated healthcare and educational institutions, contractors, other federal agencies, law enforcement organizations, and other OIGs. Much of the OIG's work depends on the cooperation and coordination of these stakeholders, making them partners in some capacity for important improvement and oversight efforts. Therefore, the IG and Deputy IG continue to organize recurring listening sessions with stakeholders, including with VSOs.

## Inspector General Performance Measures and Accomplishments

The OIG's sustained, high level of performance is reflected in VA's *Annual Performance Plan and Report* and the OIG's *SARs*, including issues 83 and 84 which cover the period of October 1, 2019, to September 30, 2020. Current performance measures include

- Percentage of reports (audit, inspections, investigations, and other reviews) issued that identified opportunities for improvement and provided recommendations for corrective action;
- Percentage of recommendations implemented within one year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA;
- Monetary benefits (dollar amounts in millions) from audits, inspections, investigations, and other reviews;
- Percentage of recommended recoveries achieved from postaward contract reviews;
- Return on investment (monetary benefits divided by cost of operations in dollars);
- Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, administrative sanctions, and corrective actions; and
- Percentage of investigative cases that result in criminal, civil, or administrative actions.

Examples of recent OIG oversight are presented below to demonstrate the significant impact of the OIG's efforts for veterans and taxpayers. Internal improvements are also discussed to highlight initiatives to better engage and develop highly skilled employees who fulfill the OIG's mission.

**Pandemic-Related Oversight.** In mid-2020, the OIG rapidly established a portfolio of oversight of the pandemic response, including audits, inspections, investigations, and other reviews. For example, the OIG

- Conducted unannounced site visits to 237 VA medical facilities in mid-March 2020, approximately one week after infection screening was initiated VHA-wide. The OIG subsequently provided just-in-time information to VA senior leadership, members of Congress, and the public regarding the OIG's assessment of screenings, including the

strong processes in place at most facilities as well as opportunities to improve screenings at others.<sup>34</sup>

- Published a second healthcare inspection in July 2020 regarding VHA's pandemic response that highlights a multitude of actions taken by VHA, VISN, and facility leaders to maintain operations during the national emergency.<sup>35</sup> This report discusses operational challenges associated with delivering care in the inpatient and outpatient setting, coordination of care with community providers, and strategies to protect high risk patients. With the uncertainty of timing and magnitude of possible recurrent outbreaks, this review presented strategies that various facilities put into place over the past several months to promote discussion and consideration of lessons learned and best practices.
- Served as the lead law enforcement agency in an investigation with Homeland Security Investigations that led to the arrest of a Georgia resident for making a series of fraudulent misrepresentations in an attempt to secure orders from VA for 125 million face masks and other PPE that would have totaled over **\$750 million**. This investigation resulted in the largest COVID-19-related fraud prosecution brought by the Department of Justice.<sup>36</sup>
- Published 15 pandemic-related reports through mid-March 2021 and initiated additional COVID-19-related oversight work, including audits, healthcare inspections, and criminal investigations, which are ongoing.

**Monetary Benefits.** During the past two SAR reporting periods, the OIG identified a monetary benefit of more than **\$4 billion** in 296 reports issued. For example, the OIG

- Recommended that VA conduct a formal analysis of VHA's Office of Community Care prescription drug programs to determine the steps that would need to be taken to require drug manufacturers to provide discounted prices for covered prescription drugs purchased for the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) and other VA programs that use retail pharmacies.<sup>37</sup> This could lead to **\$345.1 million** in cost savings over the next five years for CHAMPVA alone.

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<sup>34</sup> VA OIG. *OIG Inspection of Veterans Health Administration's COVID-19 Screening Processes and Pandemic Readiness*. Report No. 20-02221-120, March 26, 2020. <https://www.va.gov/oig/pubs/VAOIG-20-02221-120.pdf>.

<sup>35</sup> VA OIG. *Review of Veterans Health Administration's COVID-19 Response and Continued Pandemic Readiness*. Report No. 20-03076-217, July 16, 2020. <https://www.va.gov/oig/pubs/VAOIG-20-03076-217.pdf>.

<sup>36</sup> Department of Justice. "Georgia Man Arrested for Attempting to Defraud the Department of Veterans Affairs in a Multimillion-Dollar COVID-19 Scam." April 10, 2020. <https://www.justice.gov/opa/pr/georgia-man-arrested-attempting-defraud-department-veterans-affairs-multimillion-dollar-covid>.

<sup>37</sup> VA OIG. *VA Should Examine Options to Expand Retail Pharmacy Drug Discounts*. Report No. 19-07281-105, June 30, 2020. <https://www.va.gov/oig/pubs/VAOIG-19-07281-105.pdf>.

- Made recommendations to VA contracting officers that yielded **\$203 million** in savings for VA based on 19 preaward reviews of pharmaceutical proposals, many of which were not accurate, complete, or current.<sup>38</sup>
- Issued recommendations to improve VA’s oversight of the issuance of prosthetic supplies and devices to veterans after an audit of 2017 patient data determined that improperly cloned consults and duplicative orders resulted in questioned costs of **\$79.2 million** over a five-year period.<sup>39</sup>
- Reviewed Veterans Choice Program reimbursements to third-party administrators for community provided healthcare and determined that VA could have saved more than **\$132 million** had effective payment controls and customary rate schedules been in place.<sup>40</sup>

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<sup>38</sup> VA OIG. *A Synopsis of Preaward Reviews of VA Federal Supply Schedule Pharmaceutical Proposals Issued in Fiscal Year 2019*. Report No. 20-00010-151, June 30, 2020. <https://www.va.gov/oig/pubs/VAOIG-20-00010-151.pdf>.

<sup>39</sup> VA OIG. *Insufficient Oversight for Issuing Prosthetic Supplies and Devices*. Report No.18-00972-38, May 11, 2021. <https://www.va.gov/oig/pubs/VAOIG-18-00972-38.pdf>

<sup>40</sup> VA OIG *Lack of Adequate Controls for Choice Payments Processed through the Plexis Claims Manager System* Report No.19-00226-245, September 30, 2020. <https://www.va.gov/oig/pubs/VAOIG-19-00226-245.pdf>

The table below summarizes additional information about monetary benefits of the OIG’s work.

Measure	Semiannual Report (SAR) Summary		
	Issue 83	Issue 84	Combined
<b>Monetary Benefits (in millions)</b>	<b>\$868.8</b>	<b>\$3,136.9</b>	<b>\$4,005.7</b>
Better Use of Funds	\$484.7	\$507.2	\$991.9
Fines, Penalties, Restitutions and Judgments	\$87.7	\$54.2	\$141.9
Fugitive Felon Program	\$83.5	\$200.0	\$283.5
Savings and Costs Avoidances	\$92.9	\$2,022.6	\$2,115.5
Questioned Costs	\$106.9	\$329.8	\$436.7
Dollar Recoveries	\$13.0	\$23.1	\$36.1
<b>Cost of Operations</b>	<b>\$83.2</b>	<b>\$93.1</b>	<b>\$176.3</b>
<b>Return on Investment</b>	<b>10:1</b>	<b>34.1</b>	<b>23.1</b>
<b>Contract Review Only - Monetary Benefits</b>	<b>\$462.0</b>	<b>\$205.4</b>	<b>\$667.4</b>
Preaward Potential Savings	\$59.0	\$183.4	\$242.4
Postaward Recoveries	\$8.0	\$18.6	\$26.6
Claims Reviews	\$0.4	\$3.4	\$3.8

**Program Benefits.** In addition to monetary benefits, OIG audits, inspections, investigations, and other reviews identified valuable opportunities to improve VA programs and services. For example, the OIG prompted VA to take the following steps:

- Ensure that Virtual Pharmacy Services Meds by Mail clinical pharmacists are practicing within an appropriate scope of practice, particularly as relates to modifications to treatment plans for veterans with complex mental health needs.<sup>41</sup>
- Evaluate existing leadership and governance structures as they related to the thoracic surgery program to include consideration of designating a thoracic specialty leader with authority to review all aspects of the personnel and management actions and who can provide unbiased, authoritative, and timely guidance to facilities on the most clinically sound course of action when a thoracic surgeon’s practice or outcomes are under review, in order to ensure that VA provides high quality care.<sup>42</sup>
- Develop comprehensive standard operating and compliance procedures for mammography programs that ensures facilities appropriately document breast imaging data in electronic health records, communicate test results to patients and providers in a timely manner, and formalize critical training for technical and administrative staff.<sup>43</sup>

<sup>41</sup> VA OIG. *Deficiencies in Virtual Pharmacy Services in the Care of a Patient*. Report No. 19-07827-182, June 18, 2020. <https://www.va.gov/oig/pubs/VAOIG-19-07827-182.pdf>.

<sup>42</sup> VA OIG. *Thoracic Surgery Quality of Care Issues and Facility Leaders’ Response at the C.W. Bill Young VA Medical Center in Bay Pines, Florida*. Report No. 18-01321-56, January 13, 2021. <https://www.va.gov/oig/pubs/VAOIG-18-01321-56.pdf>

<sup>43</sup> VA OIG. *Mammography Program Deficiencies and Patient Results Communication at the Washington DC VA Medical Center*, Report No. 20-00563-68, February 25, 2021. <https://www.va.gov/oig/pubs/VAOIG-20-00563-68.pdf>.

- Address deficiencies in infrastructure readiness<sup>44</sup> and the potential deleterious impact on access to care and other capabilities<sup>45</sup> associated with the go-live date for the new electronic health record system.
- Revise the current VBA peer review process to ensure that all errors are identified during quality reviews of the processing of disability compensation claims, revise performance review processes to assess competency in identifying errors, revise the error reconsideration process to adhere to VBA procedures and promote objectivity, and improve oversight of the error correction process.<sup>46</sup>
- Meet requirements of the Federal Information Technology Acquisition Reform Act (FITARA) by ensuring that the chief information officer reviews and approves all IT acquisitions and initiating an agency wide IT acquisition awareness and training program covering FITARA requirements; providing clear and consistent acquisition processes to ensure FITARA compliance; ensuring all VA administration and staff offices work with the chief information officer for planning, programming, budgeting, and execution of all IT resources; and implementing department-level oversight processes to ensure the chief information officer is a member of governance boards that make informed decisions on all IT resources across the agency.<sup>47</sup>

**Investigative Actions.** The OIG’s criminal, civil, and administrative investigations led to 177 indictments, 183 convictions, and 496 administrative sanctions during the past two SAR reporting periods. The OIG’s work, alone and in collaboration with other law enforcement agencies, led to significant judicial actions, as highlighted by these examples.

- A former nursing assistant pleaded guilty to **seven counts of second-degree murder and one count of assault with intent to commit murder** for administering insulin to eight veterans with the intent to cause their deaths at the VA medical facility in Clarksburg, West Virginia.<sup>48</sup> The OIG learned of suspicious deaths at the facility in late June 2018 and a team of investigators was on site within 24 hours. In a matter of days, the defendant was identified as a person of interest and the OIG had her removed from further patient care, likely saving additional lives while the OIG and its law enforcement partners built a case

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<sup>44</sup> VA OIG. *Deficiencies in Infrastructure Readiness for Deploying VA’s New Electronic Health Record System*. Report No. 19-08980-95, April 27, 2020. <https://www.va.gov/oig/pubs/VAOIG-19-08980-95.pdf>.

<sup>45</sup> VA OIG. *Review of Access to Care and Capabilities during VA’s Transition to a New Electronic Health Record System at the Mann-Grandstaff VA Medical Center in Spokane, Washington*. Report No. 19-09447-136, April 27, 2020. <https://www.va.gov/oig/pubs/VAOIG-19-09447-136.pdf>.

<sup>46</sup> VA OIG. *Deficiencies in the Quality Review Team Program*. Report No. 19-07054-174, July 22, 2020. <https://www.va.gov/oig/pubs/VAOIG-19-07054-174.pdf>.

<sup>47</sup> VA OIG. *VA’s Implementation of the FITARA Chief Information Officer Authority Enhancements*. Report No. 18-04800-122, June 9, 2020. <https://www.va.gov/oig/pubs/VAOIG-18-04800-122.pdf>.

<sup>48</sup> Department of Justice. *Former VA Hospital Nursing Assistant Admits to Murdering Seven Veterans and Assault with Intent to Commit Murder of an Eighth*. <https://www.justice.gov/usao-ndwv/pr/former-va-hospital-nursing-assistant-admits-murdering-seven-veterans-and-assault-intent>.



that ultimately resulted in court adjudications holding her accountable for her unconscionable crimes.

- A former Chief of Pathology at the Veterans Health Care System of the Ozarks in Fayetteville, Arkansas, was sentenced to 20 years in prison and ordered to pay **\$487 thousand** in restitution for one count each of **involuntary manslaughter** and **mail fraud**.<sup>49</sup> A VA OIG investigation revealed the defendant misdiagnosed over 6,500 VA patients while under the influence of a potent substance that is undetectable using routine drug and alcohol testing methods. The defendant also circumvented contractually obligated drug and alcohol testing to conceal his chemical dependency.
- A former VA Doctor of Osteopathic Medicine was sentenced to 25 years in federal prison for **sexually abusing veterans** under the guise of legitimate medicine. The abuse occurred while the doctor was acting under color of law in his capacity as a VA physician and a federal employee and **deprived the veterans of their constitutional right** to bodily integrity and caused them pain.<sup>50</sup>
- The owner of a technical training school and his wife admitted to falsifying student enrollment documents and employer verification information dating back to 2015, which caused VA to pay over **\$29 million** in tuition, books, fees, and monthly student housing allowances.<sup>51</sup> As a result of the investigation, both the owner and his wife pleaded guilty in the Southern District of California to **wire fraud** and **making false statements**, respectively.
- A former case management liaison for the VA Spina Bifida Health Care Benefits Program was found guilty at a jury trial and sentenced in the District of Colorado to **16 years** in prison for **health care fraud, conspiracy, payment of illegal kickbacks and gratuities, money laundering, and conflict of interest**.<sup>52</sup> The defendant was also ordered to pay **\$18.7 million** in restitution to VA.
- A health care services company headquartered in King of Prussia, Pennsylvania, and related entities settled **allegations under the False Claims Act** relating to medically unnecessary inpatient behavioral health services and **illegal kickbacks**.<sup>53</sup> The company

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<sup>49</sup> Department of Justice. *Fayetteville Doctor Sentenced To 20 Years In Federal Prison For Mail Fraud And Involuntary Manslaughter*. <https://www.justice.gov/usao-wdar/pr/fayetteville-doctor-sentenced-20-years-federal-prison-mail-fraud-and-involuntary>.

<sup>50</sup> Department of Justice. *Former Veterans Affairs Doctor Sentenced to Prison for Sexual Abuse of Veterans*. <https://www.justice.gov/opa/pr/former-veterans-affairs-doctor-sentenced-prison-sexual-abuse-veterans>.

<sup>51</sup> Department of Justice. *Owner of Local Technical Training School Pleads Guilty to Defrauding Department of Veterans Affairs of \$29 Million in Education Benefits*. <https://www.justice.gov/opa/pr/departement-veterans-affairs-office-inspector-general-and-department-justice-announce-veterans>.

<sup>52</sup> Department of Justice. *VA Employee Sentenced For Orchestrating \$19 Million Corruption Scheme*. <https://www.justice.gov/usao-co/pr/va-employee-sentenced-orchestrating-19-million-corruption-scheme>.

<sup>53</sup> Department of Justice. *Universal Health Services, Inc. and related entities to pay \$122 million to settle False Claims Act allegations relating to medically unnecessary inpatient behavioral health services and illegal kickbacks*. <https://www.justice.gov/usao-ndga/pr/universal-health-services-inc-and-related-entities-pay-122-million-settle-false-claims>.

agreed to pay **\$122 million** to the federal government, of which **\$2.6 million** was returned to VA.

The table below summarizes the OIG’s investigative actions.

Measure	Semiannual Report (SAR) Summary		
	Issue 83	Issue 84	Combined
<b>Investigative Actions</b>			
Arrests	142	73	215
Fugitive Felon Arrests (OIG assisted)	12	2	14
Indictments	111	66	177
Criminal Complaints	28	27	55
Convictions	118	65	183
Pretrial Diversions and Deferred Prosecutions	14	5	19
Case Referrals to the Department of Justice	158	144	302
Administrative Sanctions and Corrective Actions (excl. Hotline)	303	193	496

**Hotline Actions.** The OIG’s Hotline continued to serve as the key conduit for allegations of fraud, waste, and abuse. Hotline staff received and processed 29,352 contacts—toll-free phone calls, web submissions, letters, and faxes—concerning problems related to VA programs and operations during the most recent SAR reporting periods, as summarized in the table below. All contacts received by the Hotline are triaged. Further, the OIG opened 1,613 cases in response to Hotline contacts, substantiated 36 percent of related allegations, and prompted 1,079 administrative sanctions. The Hotline also issued more than 6,633 semi-custom responses to provide other options for redress to individuals who contacted the hotline with concerns that were outside the OIG’s scope.

Measure	Semiannual Report (SAR) Summary		
	Issue 83	Issue 84	Combined
Contacts	14,747	14,605	29,352
Cases Opened	895	718	1,613
Cases Closed	686	706	1,392
Substantiation Percentage Rate	36%	35%	36%
Administrative Sanctions (Hotline)	531	548	1,079

**Dissemination.** In addition to publishing reports, the OIG engaged stakeholders through social and digital media, hearings, roundtable discussions, briefings, and responses to media inquiries to further disseminate the report findings. The OIG has an active presence on two social media platforms – LinkedIn and Twitter. As of today, the OIG grew its LinkedIn base to 40,000 followers, a 196% percent increase from 2019, and published 411 updates to highlight reports, hiring activities, and other news that resulted in about 780,000 impressions (delivery to unique LinkedIn streams). In addition, the OIG had over 5,600 followers on Twitter, posted 200 tweets largely focused on reports and other OIG work that resulted in over 805,000 impressions. The OIG also published 26 podcasts covering reports, monthly highlights, and other features. For Congress, the IG and OIG senior staff testified at 8 hearings and delivered 131 congressional briefings regarding issues that were addressed in the OIG’s reports and ongoing work or drew on staff expertise and

experience. For the media, the OIG responded to more than 100 inquiries and requests for quotes and interviews on the OIG's oversight work to major news outlets, including *USA Today*, *Washington Post*, *Wall Street Journal*, and the Associated Press. The work by the OIG routinely makes local and national headlines. Highly cited oversight included topics such as VHA's COVID-19 preparedness, critical staffing shortages, major management challenges, and missteps in the initial implementation efforts involving electronic health record modernization.

**Internal Improvements.** The OIG took numerous steps in 2020 to increase operational efficiency and to maintain a highly engaged and productive workforce despite the transition to 100 percent telework for the vast majority of employees due to the pandemic. To address feedback from the *All Employee Survey* and gaps identified through an organizational needs analysis, a multidisciplinary team took noteworthy steps to empower OIG supervisors with the knowledge and skills to effectively lead teams, and to support their staff and ensure accomplishment of the OIG mission during a public health crisis. Examples of these steps include developing tip sheets for managers on common employee relations issues, offering more frequent training seminars for managers, developing a toolkit on managing a virtual workforce, and restructuring the OIG's new employee and new supervisor orientation to be conducive to a virtual format. The OIG also made several operational changes during the year to accommodate increased telework. These changes included distributing enhanced telework kits with external monitors, headsets, and other IT equipment; launching a virtual onboarding and offboarding process to limit person-to-person contact; and initiating expanded internal communications strategies including frequent emails to all staff with coronavirus updates and recurring virtual town halls.

VA OIG entered into an agreement with the General Services Administration and an integrated architecture, design, planning, and consulting firm to evaluate our current space portfolio. Based on the evaluation and in consultation with the consulting firm, VA OIG will develop a strategic path forward for our space portfolio that takes into consideration our mission, our ability to co-locate at VA facilities, and the impact the 2020 global health pandemic has had on how our employees work.

## **Budget Highlights**

The OIG requests \$239 million for 1,100 FTE in 2022 to support essential oversight of VA's programs and operations through independent audits, inspections, reviews, and investigations; and timely detection and deterrence of fraud, waste, and abuse. The OIG will also utilize carryover from 2021 (both annual and APR supplemental funds) to support staffing and business requirements. The OIG's vast oversight responsibilities are complicated by the scope of VA's budget portfolio—over \$246 billion in enacted funding for 2021, plus \$17.1 billion in ARP funds—and the complexity of VA's major initiatives, including Mission Act implementation, electronic health record modernization, implementation of a new electronic medical logistics system, and financial management transformation. Despite its significant responsibilities, annualized funding for the OIG is consistently around 0.1 percent of the aggregate VA budget and the current VA to OIG staffing ratio is approximately 400:1. The VA OIG also has proportionally lower funding and staffing levels when compared with other OIGs for large executive branch agencies (see table below).

2021 Staff and Resource Comparisons for Selected Inspectors General*						
OIG	Funding (\$M)			FTE		
	Agency	OIG	OIG % of total	Agency	OIG	OIG % of total
Commerce	\$8,190	\$48	0.58%	43,206	200	0.46%
Treasury	\$17,692	\$39	0.22%	98,964	180	0.18%
Interior	\$21,554	\$59	0.27%	60,939	274	0.45%
Justice	\$38,845	\$107	0.28%	116,989	491	0.42%
Housing and Urban Development	\$47,942	\$133	0.28%	7,282	502	6.89%
Homeland Security	\$75,884	\$178	0.23%	232,326	747	0.32%
Transportation	\$88,725	\$98	0.11%	55,029	403	0.73%
Agriculture	\$151,411	\$100	0.07%	91,714	482	0.53%
VA	\$243,257	\$228	0.09%	404,835	1,048	0.26%
Health and Human Services	\$1,427,609	\$419	0.03%	77,845	1,676	2.15%

\* Resource comparison references 2021 President's Budget requests (not enacted appropriations or supplementals). The VAOIG ranked 8th in funding ratios among surveyed agencies.

The OIG achieved significant financial and programmatic accomplishments that translate into direct savings to the taxpayer. During the past 5 years (SAR issues 75 through 84), the OIG identified more than \$26 billion in monetary benefits in the form of better use of funds; dollar recoveries; fines, penalties and restitution; savings and cost avoidance; and questioned costs and averaged a dollar return on investment of nearly \$38:1. Additionally, as described earlier in this chapter, the OIG performed at a high level with respect to the scope of published reports, recommendations issued and other significant work products, including alternative work products, congressional testimony, press releases, and podcasts.

In recognition of the value of OIG oversight, Congress, the Office of Management and Budget, and VA have provided strong support to expand operational capacity since 2014. As shown in the table below, OIG staffing has increased progressively with annual funding increases. Since hiring often bridges fiscal years and is subject to some degree of seasonality with respect to recruitments and retirements, annualized FTE generally lags onboard strength at the end a given year. The pandemic has challenged hiring efforts over the last 12 months, but its impact is expected to diminish over the near-term as OIG adjusts its recruitment strategy and various components of the public health response—including the distribution of vaccines—progress.

Budget Progression - Multiyear Comparison				
Fiscal Year	Enacted Budget (\$M)	Onboard Staff - Start	Onboard Staff- End	Annualized FTE
2014	\$121	615	634	613
2015	\$126	635	667	651
2016	\$137	666	692	680
2017	\$160	689	805	734
2018	\$164	809	872	849
2019	\$192	880	1,000	908
2020	\$210	988	1,018	1,000
2021	\$228	1,018	1,098	1,041
2022*	\$239	1,098	1,100	1,100

\* President's Budget request; all other years reflect annual appropriations only (no supplementals or carryover).

Congress provided the OIG with \$12.5 million in supplemental funding through the CARES Act in 2020. These resources supported oversight and focused reviews of VA's internal capacity and

ability to respond to the public health crisis. It allowed the OIG to procure protective equipment for infection control and prevention and enhanced custodial services for employees. Lastly, the funds supported critical IT modernization requirements to sustain uninterrupted operations while vital staff worked remotely. The OIG fully executed all CARES Act funding at the end of calendar 2020.

The OIG received an additional \$10 million in no-year funds in 2021 under the ARP. The OIG intends to use these resources in 2022 to support pandemic-related oversight, strengthen programmatic capacity, modernize investigative infrastructure, and fulfill mission requirements pursuant to the *Inspector General Act*. The OIG is developing a formal operating plan in accordance with OMB guidance and Congressional requirements.

The 2022 budget request, in conjunction with a modest carryover (less than 5 percent) of annual 2021 appropriated funds, can support up to 1,064 FTE. This includes projected costs of salary (2.7 percent pay raise) and locality adjustments, career ladder promotions, within-grades, and nominal increases in agency benefits contributions. The additional carryover of \$10 million in ARP no-year funds will support an additional 36 FTE in 2022, for a total 1,100 FTE in the budget year. Although the use of supplemental funds to support staff is not ideal in a fiscal context, the OIG believes the unique circumstances of the pandemic and exigencies for responsive oversight and support of VA operations make a strong business case for pursuing an aggressive hiring plan with all available resources over the near term. The OIG regularly evaluates its budget execution plan and the status of funds and will manage staffing and operational needs within existing resources as required.

The OIG plans to continue to deploy and maintain a cadre of objective, responsive, highly trained, and dedicated employees at locations nationwide, especially near facilities where a more significant presence is required or the demand for oversight work has increased. About 80 percent of OIG's budget is for payroll, which must cover salaries and benefits for all OIG employees, including law enforcement officers who receive law enforcement availability pay and physicians who receive physician comparability allowances. Most OIG employees will continue to be directly involved in conducting audits, inspections, investigations, and other reviews of higher risk VA programs and services. Although the OIG regularly reviews operational requirements to identify efficiencies, most of the OIG's non-payroll expenses are fixed requirements for space, contracts, mandatory training, and mission-essential travel.

The funding requested for 2022 ensures the OIG has the necessary resources to address many serious challenges that undermine the quality and efficiency of VA programs and services and pose unacceptable risks to veterans and the taxpayer. The additional investment in the OIG will support

- Continued oversight of the aftermath of the pandemic, without diminishing ongoing work,
- Expansion of multidisciplinary oversight to detect and deter healthcare fraud, waste, and abuse and the establishment of a special investigations unit to focus on complex and significant healthcare fraud-related issues,
- Additional oversight of other vital issues including
  - The impact of VHA's efforts to improve patients' access to timely and quality care at VA facilities despite chronic healthcare professional shortages,

- *Mission Act* implementation-related successes, lessons learned, and opportunities for improvement,
- The extent that VBA rectified previously identified and recurring deficiencies that impact benefits claims and appeals processing, including inadequate planning, controls, and information technology functionality that contribute to inefficiencies and inaccuracies in these processes,
- Early oversight of VA's initiative to replace its legacy electronic health record system, VistA, which has served the department for more than 40 years,
- The efficiency and operational impact of VHA's ongoing work to implement Defense Medical Logistics Standard Support, which would replace the current, legacy system, and
- Procurement and contract integrity as well as VA's ongoing efforts to replace its financial management system, which is over 25 years old and has functional limitations well documented in OIG reports.

The OIG will continue to expand the use of data to inform its work, leveraging OIG's data experts and subject matter experts, joint venture partners, and robust software that was recently procured to facilitate advanced data analytics and visualization. Such steps enhanced the OIG's ability to detect and prevent fraud, waste, and abuse in VA programs and services by supporting interdisciplinary work to simultaneously investigate individual wrongdoers and publish reports on programmatic vulnerabilities that, if addressed, could prevent or deter further crimes.

## **Budget Submission Requirements of the *Inspector General Act***

This budget request was prepared in accordance with Section 6(g)(1) of the *Inspector General Act of 1978*, as amended.

The OIG's 2022 budget request to VA is \$239,000,000 and 1,100 FTE. This includes the amounts that the Inspector General certifies to fulfill known requirements to support the Council of Inspectors General on Integrity and Efficiency (\$860,000) and OIG employee training (\$2,000,000), including training to address continuing education requirements and mandatory training for law enforcement officers. In addition, OIG requests that \$4,150,000 be set aside in the 2022 VA Minor Construction appropriation request to support projects. In addition to supporting VA OIG's regularly scheduled renovation requirements and ongoing efforts to improve the efficiency and effectiveness of OIG's space utilization, these funds will be used to renovate newly acquired office space in Bedford, MA, as the VA medical center indicated that it will no longer be able to provide space to the OIG due to limited available space on the medical center campus and the need to convert existing spaces to expand services for veterans. These funds will also be used to address new lease renovations at two of the OIG's largest field offices in San Diego and Dallas.

OIG continues to identify efficiencies and opportunities to reduce and control costs for employee travel, conferences, training, government vehicles, technology, and other areas as required by *Executive Order No. 13589, Promoting Efficient Spending*. However, as the executive order recognized, OIG employees must travel extensively to VA facilities across the country to perform statutory oversight. This means that opportunities to reduce travel costs are limited once pandemic-

related restrictions abate. To the extent possible, the OIG has reprogrammed identified efficiencies back into operations to sustain the level of oversight.

<b>Summary of Employment and Obligations</b> <b>(Dollars in Thousands)</b>					
	2020 Enacted	2021 Request	2021 Enacted	2022 Request	Increase (+) Decrease (-) from 2021
<b>Average employment:</b>					
Headquarters functions	216	215	239	253	14
Operations functions	784	833	802	847	45
<b>Total employment</b>	<b>1,000</b>	<b>1,048</b>	<b>1,041</b>	<b>1,100</b>	<b>59</b>
<b>Obligations:</b>					
Personnel compensation and benefits	\$180,578	\$187,872	\$193,880	\$211,835	\$17,955
Travel/vehicles	\$3,488	\$8,272	\$1,500	\$6,790	\$5,290
Transportation of things	\$32	\$24	\$50	\$75	\$25
Rents, communications, and utilities	\$10,640	\$10,296	\$12,140	\$13,605	\$1,465
Printing and reproduction	\$25	\$21	\$25	\$26	\$1
Other services	\$18,196	\$18,039	\$20,416	\$20,824	\$408
Supplies and materials	\$707	\$636	\$427	\$800	\$373
Equipment	\$4,003	\$2,850	\$4,405	\$5,193	\$788
Insurance	\$0	\$12	\$5	\$5	\$0
<b>Total obligations</b>	<b>\$217,669</b>	<b>\$228,022</b>	<b>\$232,848</b>	<b>\$259,152</b>	<b>\$26,304</b>
Reimbursements	\$0	\$0	\$0	\$0	\$0
SOY Unobligated Balance (-)	(\$9,600)	(\$157)	(\$15,300)	(\$20,452)	(\$5,152)
EOY Unobligated Balance (+)	\$14,431	\$135	\$20,452	\$300	(\$20,152)
CARES Act	(\$12,500)	\$0	\$0	\$0	\$0
American Rescue Plan Act	\$0	\$0	(\$10,000)	\$0	\$10,000
<b>Total Budget Authority</b>	<b>\$210,000</b>	<b>\$228,000</b>	<b>\$228,000</b>	<b>\$239,000</b>	<b>\$11,000</b>

Note: Totals subject to rounding.



## Net Change and Employment Tables

The following table summarizes the changes in resource requirements between the 2021 enacted budget and the 2022 request.

<i>Net Change</i> <i>Office of Inspector General</i> <i>2022 Summary of Resource Requirements</i> <i>(dollars in thousands)</i>		
	<u>BA</u>	<u>FTE</u>
<b>2021 Enacted Budget</b>	<b>\$228,000</b>	<b>1,041</b>
American Rescue Plan Act	\$10,000	
Net Carryover Execution	-\$5,152	
<b>2021 Obligations Baseline</b>	<b>\$232,848</b>	<b>1,041</b>
<b>2021 Current Services Increases:</b>		
Payraise (2.7%)	\$5,235	
Change in Staff Composition / Benefits Increases	\$1,357	
Nonpay Inflation (2.0%)	\$779	
Travel Normalization (Inspections, Training)	\$5,190	
Information Technology, Space, and Other Services Increases	\$2,380	
<b>Subtotal</b>	<b>\$14,941</b>	<b>0</b>
	<b>\$247,789</b>	<b>1,041</b>
% Change over 2021 Obligations Base	<b>9%</b>	<b>0%</b>
OIG Staffing Plan	\$11,363	59
<b>2022 Obligations Baseline</b>	<b>\$259,152</b>	<b>1,100</b>
Net Carryover Execution	-\$20,152	
<b>Net BA Requirements</b>	<b>\$239,000</b>	<b>1,100</b>
Efficiencies / Offsets*	\$0	0
<b>Subtotal</b>	<b>\$0</b>	<b>0</b>
<b>2022 Total Request:</b>	<b>\$239,000</b>	<b>1,100</b>
% Change over PB	5%	6%

\* The current services analysis includes baseline offsets and adjustments.

The following tables present analyses of OIG employment levels by grade for headquarters and operations functions.

<b>Employment Summary—FTE by Grade</b>				
Grade	2020 Enacted	2021 Enacted	2022 Request	Incr./Decr. from 2021
IG/SES	19	19	19	0
Senior-Level (SL)	10	10	10	0
GS-15	117	123	129	6
GS-14	246	257	266	9
GS-13	510	533	570	37
GS-12	31	32	34	2
GS-11	29	29	32	3
GS-10	1	1	1	0
GS-9	26	26	28	2
GS-8	3	3	3	0
GS-7	5	5	5	0
GS-5	2	2	2	0
GS-1—4	1	1	1	0
<b>Grand Total FTE</b>	<b>1,000</b>	<b>1,041</b>	<b>1,100</b>	<b>59</b>

<b>Analysis of 2020 FTE Distribution</b>		
Grade	Headquarters	Operations
IG/SES	19	0
Senior-Level (SL)	2	8
GS-15	27	90
GS-14	57	189
GS-13	117	393
GS-12	7	24
GS-11	7	22
GS-10	0	1
GS-9	6	20
GS-8	1	2
GS-7	1	4
GS-5	0	2
GS-1—4	0	1
<b>Grand Total FTE</b>	<b>244</b>	<b>756</b>

## Other Requirements

The Office of Management and Budget directed that the following information on the OIG's use of physician comparability allowances (PCA) be included in this budget submission.

- 1) Department and component:

VA Office of Inspector General

- 2) Explain the recruitment and retention problem(s) justifying the need for the PCA pay authority.

*(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)*

The OIG utilizes PCA because its physician-employees are covered by Title 5, U.S. Code. This is different from the rest of VA, which employs physicians under Title 38. The difference in pay rates between Title 5 and Title 38 physicians can be substantial and Title 38 physicians receive significantly higher salaries than Title 5 physicians, even when PCA and performance bonuses are considered.

- 3-4) Please complete the table below with details of the PCA agreement for the following years:

	<b>PY 2020 (Actual)</b>	<b>CY 2021 (Estimates)</b>	<b>BY* 2022 (Estimates)</b>
3a) Number of Physicians Receiving PCAs	19	20	20
3b) Number of Physicians with One-Year PCA Agreements			
3c) Number of Physicians with Multi-Year PCA Agreements	19	20	20
4a) Average Annual PCA Physician Pay (without PCA payment)	175,000	177,500	179,000
4b) Average Annual PCA Payment	29,100	30,000	30,000

\*BY data will be approved during the BY Budget cycle. Please ensure each column is completed.

- 5) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

PCA has proven to be a valuable incentive mechanism for recruiting and retaining Board-certified physicians, who often incur a significant reduction in pay when entering government service. However, the OIG continues to face challenges to recruit and retain physicians. In FY 2020, VA OIG posted two Medical Officer positions. VA OIG hired one external Medical Officer and promoted two internal Medical Officers to SL positions. VA OIG currently has a cadre of 19 Medical Officers. In the last 5 years, VA OIG has lost 26 percent of its cadre of Medical Officers. Given the difficulty in recruiting Medical Officers, this level of turn over impacts the VA OIG's ability to perform its mission.

- 6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

One of VA OIG's major functions is providing oversight of the VA's healthcare system, to ensure high-quality patient care and safety. This function requires physicians to review hotline complaints, conduct inspections of VA healthcare facilities, and evaluate the quality of care provided to veterans. In FY 2020, OIG conducted 54 comprehensive healthcare inspections, 46 hotline healthcare inspections, and 7 national healthcare reviews, in addition to reviewing 4,655 hotline referrals. This work illustrates a need to retain medical officers, as OIG has a need for their specific skill set in reviewing the work of our inspectors.

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*Office of Acquisition and Logistics Office  
of Acquisitions Supply Fund*

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**Part 8**

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## *Office of Acquisition and Logistics/Office of Procurement, Acquisition and Logistics: Supply Fund*

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### **Mission**

The Supply Fund was created by Congress for the operation and maintenance of a supply system for the Department (including the procurement of supplies, equipment, and personal services and the repair and reclamation of used, spent, or excess personal property). To enhance the VA's customer relationships through participation in the overall planning and operations of the Supply Fund and Franchise Fund VA has established a Revolving Fund Board of Directors to oversee the operation of the Revolving Funds. The Administration and Staff Office's participation on the Revolving Fund Board ensure VA Revolving Fund resources are strategically serve the VA mission.

The Supply Fund comprises the Office of Acquisition and Logistics (OAL) and Office of Procurement, Acquisition and Logistics (OPAL) which are organizational elements within the Office of Acquisition, Logistics, and Construction (OALC)<sup>54</sup>. These organizations provide policy and oversight to VA's acquisition and logistics programs as well as a broad spectrum of acquisition services to VA customers and Other Government Agencies (OGAs) through the National Acquisition Center (NAC) and Denver Logistics Center (DLC), Technology Acquisition Center (TAC), and Strategic Acquisition Center (SAC). The Supply Fund is also the funding source for the Office of Small and Disadvantaged Business Utilization (OSDBU).

### **Budget Summary**

The Supply Fund is a self-sustaining, revolving fund that supports the operation of a supply system at the Department of Veterans Affairs, much like the Franchise Fund is a self-sustaining revolving fund that supports the provision of high quality, cost effective enterprise support services to VA customers. As such, no Congressional appropriation is required. Revenue is realized from fees on acquisitions of goods and services from both VA and OGA customers as approved by the Revolving Fund Board of Directors. The Supply Fund also provides financial support to the Office of Small and Disadvantaged Business Utilization (OSDBU).

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<sup>54</sup> Also included under OALC is the Office of Construction and Facility Management (CFM). Detailed information on the OALC enterprise functions and CFM is included in OALC's budget chapter.

**Supply Fund**  
**Summary of FTE and Obligations**  
(\$ thousands)

Resources	2020 Actual	2021 Estimate	2022 Request
<b>FTE</b>	981	1,135	1,276
<b>Obligations:</b>			
Operating	\$329,918	\$382,000	\$434,000
Merchandising	\$970,082	\$1,718,000	\$1,766,000
<b>Total Obligations</b>	\$1,300,000	\$2,100,000	\$2,100,000
<b>Outlays (Net)</b>	-\$50,000	-\$25,000	\$0

**Program Description and Accomplishments**

The Supply Fund provides direct, operational support to the Department in the areas of:

1. *Acquisition and logistics oversight and policy*—develops VA-wide acquisition and logistics policy and oversees Departmental compliance with laws and regulations. OAL manages VA's mandatory acquisition training program, offers continuing education programs for VA procurement staff nationwide, operates VA's Contracting Officer Certification Program, and warrants all VA contracting officers.

OAL develops VA-wide acquisition and logistics policy and oversees Departmental compliance with laws and regulations. Conducts entity-level assessments of the acquisition activities for the VA \$27 billion acquisition mission. Provides oversight by conducting Acquisition Management Reviews and providing feedback to the Administrations and VACO offices. Manages protest, suspension and debarments, ombudsman, and other related activities to assure modernization of VA Acquisition Management and compliance with federal mandates for acquisition reform. Updates to the VA Acquisition Regulation and Acquisition Manual continue.

2. *Acquisition Training and Warranting*—VA's acquisition training program and offers continuing education programs for VA procurement staff around the country through the VA Acquisition Academy (VAAA). OAL also manages VA's Federal Acquisition Certification Programs for Program/Project Management and Contracting and is responsible for warranting all VA contracting officers.



OAL manages VA's Federal Acquisition Certification Programs for Program/Project Management and Contracting, and also the VA's Contracting Officer Warrant Management Program. In compliance with the MISSION Act, the Facilities, Engineering, and Construction (FE&C) Acquisition Certification Program was implemented and is on track to for at least 98 percent of those VA staff with related duties to be FE&C, Level I certified by September 2022.

3. *Acquisition Operations*—awards and administers cost-effective multiple award and national contracts to meet the healthcare-related information technology, supply and equipment needed to operate the largest integrated health-care system in the Nation and supports many OGAs worldwide. Acquisition operations include:
  - *Federal Supply Schedule, National Contracts and Just-in-Time Prime Vendor Distribution acquisitions*—under delegated authority from the General Services Administration, the National Acquisition Center (NAC) manages nine multiple award schedule programs for healthcare-related products and services. NAC also develops and maintains national contracts associated with Pharmaceuticals, Prosthetic & Orthotics soft goods and devices; Patient Centered Community Care (PCCC) services; Non-VA Dialysis services; High Tech Medical Equipment; and Prime Vendor Distribution Programs.
  - *Information Technology (IT) Acquisitions*—The Technology Acquisition Center (TAC) provides acquisition and program management expertise and support for the life cycle management of enterprise-wide solutions for VA and OGAs.
  - *Strategic Sourcing Acquisitions*—The Strategic Acquisition Center (SAC) leverages the Department's resources by obtaining lower prices and enhanced services from vendors with strategically sourced enterprise-wide contract instruments for utilization by VA and OGAs.
  - *Acquisition Business Strategies* – Acquisition Business Strategies builds standards and methods for providing support and monitoring the performance of VA's acquisition activities related to various acquisition transformation initiatives at the federal and departmental levels. The initiative intentionally focuses on the end-to-end acquisition lifecycle framework designed to effectively and efficiently deliver quality acquisition outcomes.

As VA modernizes the need for Acquisition Modernization is paramount, OALC has developed an Operations Plan, sponsored two successful Acquisition Workforce Innovation Symposia, implemented the VA Acquisition Knowledge Portal (AKP) and continue to provide outreach sessions introducing the concept of the Acquisition Lifecycle Framework communicating the need for change management and intentional focus on the end-to-end acquisition lifecycle to build the VA Enterprise Strategic Acquisition Plan. A key cornerstone to OAL success is these activities require quality administrative support related to budget formulation/justification, human resource support, facilities management, and

intentional employee engagement, to continue Acquisition Lifecycle Framework implementation in 2022.

- *Acquisition System Capabilities* – Acquisition Systems and Capabilities develops and designs the VA Acquisition Lifecycle Framework (ALF) along with complementary organizational structures to leverage federal and industry best practices driving behavior changes, better governance, improved business processes, enhanced program performance, and continuous Acquisition Management strategic planning. In addition, the initiative manages the collection and exchange of acquisition data using technology to create transparency, accountability, and acquisition lifecycle reform -- leading to improved functionality and capabilities for the VA Acquisition Workforce and providing VA most senior officials access to quality data for documenting supportable data-based decisions.

The VA Acquisition Knowledge Portal (AKP) is a single source for all thing acquisition, it is resources assessable by all VA employees, designed to help users to navigate the various phases of the acquisition lifecycle and carry out their perspective roles and responsibilities when completing acquisition activities. The current VA Electronic Contract Management System (eCMS) includes a cluster of enterprise tools where the hub is the contract writing system supporting stakeholders to improve access to emerging technology driving change and improving data quality throughout the acquisition lifecycle. As the planning process to integrate finance and acquisition management the OAL, Project Management Office was stood up to assess the current eCMS applications and functionality and compare to the planned Integrated Financial and Acquisition Management System (iFAMS) which will be the future state of the VA enterprise approach to Financial Management Business Transformation (FMBT).

4. *Logistics Operations*—provides selected direct logistics services to VA and OGAs, such as: distribution of interment flags; design, printing, and distribution of VA forms and publications; distribution of hearing aids, hearing aid repair services, hearing aids ancillary items, batteries, prosthetic socks, and home telehealth devices to VA Medical Centers, DoD facilities and our Veteran patients worldwide.

The Supply Fund is also the source of funding for the following organizations and activities:

*The Office of Small and Disadvantaged Business Utilization (OSDBU)*: An organizational element within the Office of the Secretary of Veterans Affairs, OSDBU carries out the small business program responsibilities identified in section 15(k) of the Small Business Act (15 U.S.C. 644(k)), similar to comparable offices established at other Federal agencies. Primarily, this entails encouraging the maximum practicable participation of small businesses in VA acquisitions, and negotiating and tracking performance on VA's small business goals.

OSDBU offers an array of educational and informational resources to small businesses and other stakeholders including:

- Sharing small business program updates and best practices for doing business with VA.

- Advising VA contracting and program staff on procurement strategies that promote consideration of Service-Disabled Veteran-Owned Small Businesses (SDVOSB) and Veteran-Owned Small Businesses (VOSB) in VA procurements.
- Hosting various events throughout the year to provide direct engagement opportunities for small businesses with VA Procurement Decision Makers.
- Verifying the ownership and control of SDVOSBs and other VOSBs based on Small Business Administration (SBA) regulatory criteria.

## **Recent Accomplishments**

### **National Acquisition Center**

Through NAC, with operations located in Hines, IL and Golden, CO, currently administers over 2,000 active healthcare-related multi-year contracts valued at over \$93 billion and that have resulted in over 8,174 actions and generated over \$24 billion in annual sales transactions. NAC's Federal Supply Schedule Program has nine schedules, which supports VA medical centers, Veterans, and OGAs including Department of Defense, Health & Human Services, Indian Health Services, and Federal Bureau of Prisons. NAC's national standardization contracts leverage VA's and other specific government agencies' requirements to attain best pricing, terms, and conditions for all. NAC's focus remains on providing its customers quality healthcare contract programs. In 2021, there were 73 national pharmaceutical contracts and 45 Blanket Purchase Agreements awarded valued at \$2.4 billion; 350 new Federal Supply Schedule (FSS) contracts and 95 extensions awarded, which brings the FSS contract value for its entire program of over 1,800 active contracts to \$11.2 billion. NAC awarded 14 laundry equipment orders valued at \$30 million and 11 Radiology/Imaging systems contracts valued at \$421 million; and awarded the ensuing Pharmaceutical and Subsistence Just-in-Time Prime Vendor contracts valued at a total of \$63 billion.

The NAC's Denver Logistics Center (DLC) located in Golden, CO, processed over 3.4 million orders for commodities totaling \$303 million to VA entities and \$6.3 million to OGAs, with an average fill rate of 98% in 2020. Current year to date sales for the Hearing Aid Repair program is \$15.5 million; for Telehealth Items is \$28.5 million; and Telehealth Services is \$25 million. DLC's FY 2020 9-month sales are at \$309,287,259 for all its programs. The DLC prepared the implementation of the Positive Airway Pressure Program, scheduled for execution in early 2021, and will implement the Custom Power Wheelchairs and Wheelchair & Scooter Repair Services program in late 2021.

DLC's Service Distribution Center (SDC), located in Hines, IL, shipped 440,314 burial flags; 445,978 pounds of recycled x-ray film; 32,514 parcels; and 2.1 million lbs. of freight. In 2020, SDC shipped 60,935 parcels and 1.7 million pounds of freight. Most recently, SDC shipped over 52.5 million items in support of the Veterans Health Administration's (VHA) COVID-19 Personal Protective Equipment (PPE) emergency operations. Sales of over \$420 million were attained in FY 2020. SDC also facilitated the negotiation of a Service Agreement between Veterans Benefits Administration (VBA) and the United States Postal Service (USPS) for the direct distribution of burial flags to nationwide post offices utilizing the USPS eBuy+ distribution system.

## **Strategic Acquisition Center**

Through 2020, the SAC awarded 2,044 procurement actions and obligated \$3.7 billion in non-IT contracts. The SAC provides acquisition and contracting support to a wide variety of internal VA customers (VHA, VBA, National Cemetery Administration, VA Acquisition Academy, etc.) and external customers (Office of Personnel Management, General Services Administration and Department of Labor). Among the SAC's top priorities are VHA's Community of Care Network Program that includes multiple competitive, regional contracts to implement the VA MISSION Act to improved access and quality of Veteran healthcare. The Medical Surgical Prime Vendor – 2.0 (MSPV-2.0) program provides critical supplies to the VA healthcare network. Other priorities include VBA's Transition Assistance Program and Medical Disability Exams and, in order to support all VA customers, the SAC awarded a contractual mechanism, Integrated Healthcare Transformation (IHT), which provides a wide array of professional services.

## **Technology Acquisition Center**

The TAC implemented contracting support strategies to achieve cost efficiencies in excess of \$299.5 million for VA, awarding 3,031 actions and obligating \$4.53 billion in Information Technology (IT) contracts through 2020. In support of SECVA initiatives, the TAC continued its support to the Office of Electronic Health Record Modernization (EHRM) in preparation for Electronic Health Record (EHR) Initial Operating Capability (IOC) in 2020 through award of multiple task orders under the Cerner contract for the EHR solution itself, along with numerous contract actions under other vehicles to update infrastructure at the IOC sites. Further, the TAC sustained support of VA's IT transformation through continued management of VA's Financial Management Business Transformation (FMBT) suite of contracts, which support and enable the modernization of VA's 30-year-old legacy, core Financial Management System (FMS). Contracts in support of the FMBT program serve to ensure VA is getting real-time integration with financials through a single, consolidated system. Some other notable accomplishments are the TAC's award of Veterans Legacy Memorial (VLM), a publicly available website that enables virtual memorialization of the millions interred at VA national cemeteries, serving as a mechanism to keep the memory of Veterans alive; the award of the Veteran Signals (VSignals) contract, a continuation of Veteran Oriented Interactive Customer Evaluation (VOICE) that supports a seamless touch-point between a Veteran, eligible dependents, and caregivers and VA; contractual support of the Colmery Veterans Educational Assistance Act of 2017 (Colmery Act; P.L. 115-48) to enhance access to educational benefits for eligible Veterans; enablement of National Consolidation of all PBX services through the TAC's issuance of three separate task orders, which consolidated all local PBX maintenance functions, enterprise-wide, resulting in national oversight and economies of scale to reduce costs; award of the Signature Informed Consent Cloud-Based Solution to provide cloud-based software to capture consent forms from over 13,000 Veterans having medical procedures each day for an expected savings of \$1.2M for VA as a result; and the TAC's award of contracts for Veteran Facing Services – Applications/Veteran Facing Services – Platform, a suite of contracts that continue VA's Web Brand Consolidation, moving hundreds of VA websites under one VA.gov site, supporting VA's Digital Modernization Strategy.

## **Veterans Affairs Acquisition Academy**

VAAA continued to provide learning opportunities through FY20 and mid-year FY21. In March of 2020 the Academy shut down all face-to-face training due to COVID-19 restrictions and quickly converted all instructor-led training to virtual instructor-led training. This allowed VAAA to continue to support acquisition workforce professional development and education needs during the pandemic. VAAA finished FY20 with 78,993 students trained for 514,884 training hours through its four schools, the Contracting Professional School (CPS), Program Management School (PMS), Acquisition Internship School (AIS) including Warriors to Workforce (W2W), and the Supply Chain Management School (SCMS). By the end of FY 2020, VAAA had converted nearly all courses to VILT and delivered the second highest number of training hours in a single year since inception. VAAA has trained 37,524 students for 240,755 training hours through mid-year FY 2021. VAAA also continued the Senior Acquisition Leadership Training (SALT) Program during COVID-19 with two cohorts participating in an eight-month program to develop senior 1102s and program managers as tomorrow's leaders. VAAA continued the Program Management (PM) Fellows Program in FY20 with two cohorts graduating from the program designed to accelerate development of future PM leaders. VAAA was recognized with three industry awards in FY 2020 and maintains an average of 4.49 out of 5 customer satisfaction survey rating.

## **Category Management (CM)**

VA is making additional investments to achieve better disciplined data-driven strategic management of spend on contracts. Targeted investments will: improve data analytics capabilities; enhance and leverage better market intelligence, market research and workforce decision support skills; and improve mission effectiveness in support of Veterans. VA continues to be a federal leader in category management, building on past successes, the next phase of this journey is concentrated on shifting buying behaviors resulting in an enterprise buying approach intended to achieve maximum mission capability and leverage federal buying power. This is a significant culture shift that moves beyond managing to the current budget and requires a broader focus on life cycle acquisition and sustainment costs/total cost of ownership. VA is collaborating with other federal agencies and industry to leverage acquisition and service delivery solutions. OAL also added focus internal and external to performance metrics intentionally assessing the various activities performed in OAL to determine those that are adding value based on VA Strategic Objectives and the OALC Strategic Framework. As required by OMB non-value-added activities will be removed and replaced with modernized business practices, such as harnessing technology, removing manual processes, removing duplications, and collaborating across the federal acquisition landscape to share best practices and lessons learned.

## **Acquisition Policy**

Acquisition Policy Development and Management builds upon on federal mandates and regulatory guidance to develop and manage the direction of acquisition policy for the Department. The effort includes real-time content management along with a single point of entry for assessing the most up-to-date information. Oversight reviews of acquisition activities/functions in accordance with OMB Circular A-123 specific to acquisition compliance and improvement.

## Office of Small and Disadvantaged Business Utilization

Customer Service, Outreach, Verification, and Engagement (COVE) remain priority elements of OSDBU’s everyday execution of its mission “to enable Veteran access to economic opportunities through participation in Federal contracting.” COVE priorities touch all OSDBU stakeholders, both internal and external; they aim to help small businesses make positive, effective, and lasting contributions toward VA’s mission. OSDBU will continue centering its program activities around these priorities in 2022 and beyond.

The COVID-19 pandemic drove OSDBU to pivot its Direct Access Program (DAP) toward hosting virtual conferences. These virtual events increased VOSB access to VA and external stakeholders since VOSBs glean the benefits of reduced travel and lodging costs while meeting with Program Decision Makers (PDMs). In FY 2020, OSDBU hosted 40 virtual events with 23 more planned for FY 2021.

### SUMMARY OF EMPLOYMENT AND OBLIGATIONS

Supply Fund	2020 Actual	2021 Estimate	2022 Estimate
<b>Full Time Equivalent</b>			
OAL/OPAL – Field	766	915	999
OAL/ OPAL- Central Office	165	170	224
OSDBU	50	50	53
<b>Total FTE</b>	<b>981</b>	<b>1,135</b>	<b>1,276</b>
<b>Object Class</b>			
Personnel Compensation	\$145,615	\$160,000	\$180,000
Travel	6,868	6,000	11,000
Transportation of Things	1,408	5,000	5,000
Rents, Comm. & Utilities	30,976	23,600	23,600
Printing	11,188	15,000	15,000
Other Services	190,233	323,400	323,400
Supplies & Materials	421,576	602,000	577,000
Equipment	322,248	965,000	965,000
<b>Total, Obligations</b>	<b>\$1,130,112</b>	<b>\$2,100,000</b>	<b>\$2,100,000</b>

**Supply Fund**  
**Income Statement**  
(\$ thousands)

	<b>2020 Actual</b>	<b>2021 Estimate</b>	<b>2022 Request</b>
Income	\$322,885	\$331,000	\$350,000
Expense	\$388,273	\$375,000	\$350,000
<b>Net Income</b>	<b>-\$65,388</b>	<b>-\$44,000</b>	<b>\$0</b>
<b>Analysis of Retained Earnings</b>			
Retained Earnings, BOY	\$301,747	\$249,627	\$185,236
Retained Earnings, EOY	\$236,359	\$205,627	\$185,236

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## *Franchise Fund - Enterprise Centers*

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### **Part 9**

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## *Franchise Fund Enterprise Centers*

### **Mission Statement**

The VA Franchise Fund’s mission is to provide high-quality, cost-effective support services and excellent customer service by streamlining processes and optimizing the value of enterprise services to customers. The Franchise Fund performs common enterprise-wide administrative support services for the VA Administrations so that they can focus on performing their core missions of providing high quality care and services to Veterans and eligible family members. Better support to VA employees for common administrative support services means better services for Veterans and their families. Better support for our safety and security through preparedness, emergency notification and police services creates a safer environment and experience for Veterans and VA employees, contractors, and affiliates who serve Veterans.

### **Budget Summary**

The Franchise Fund is a self-sustaining revolving fund providing enterprise administrative support services that are financed on a fee-for-service basis rather than through VA’s appropriations. No Congressional appropriations are required. The Franchise Fund provides customers with services that make efficient use of resources and allows its customers to concentrate on mission-critical functions that deliver better Veteran outcomes. The historical obligations and full-time employee equivalent (FTE) levels for the VA Franchise Fund are listed below:

<i>VA Franchise Fund Highlights</i> (dollars in thousands)			
	2020 Actual	2021 Estimate	2022 Estimate
Average Employment	1,821	2,341	2,481
Obligations <sup>55</sup>	\$1,163,087	\$1,260,986	\$1,415,244
Outlays (Net)	(\$102,561)	(\$ 55,000)	(\$25,000)

In 2022, the Franchise Fund estimates total obligations of \$1.4 billion and an average employment of 2,481 FTE to support the operations of the VA Enterprise Centers (ECs). Total obligations reflect the salary requirements for 2,481 FTE located nationwide; ongoing rents, communications,

<sup>55</sup> The total amount of obligations contained in our budget submission exhibits, as reported in SF-133 includes Intra-fund transactions.

and utilities required to operate; and contractual resources, equipment replacements, and upgrades necessary to continue the current level of operations, leverage continuous process improvements to deliver better services at lower costs, enable innovation for new product offerings and initiatives necessary to meet emerging customer requirements. These activities will result in improved customer service, greater performance and productivity, and lowered cost of operations to efficiencies and scale. Increased staffing is primarily due to the Financial Services Center (FSC) and the IT Infrastructure Operations (ITIO). The increase is largely attributed to the expansion of FSC's growing role in supporting the Financial Management Business Transformation program and the increasing demand for FSC's services from current and new customers. ITIO's increase incorporates hiring timeline projections. Additionally, the new enterprise center, Center for Enterprise Human Resources Information Services (CEHRIS), joined the Franchise Fund business lines.

## **Program Description**

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Administration appropriation. Permanent status was conferred upon the VA Franchise Fund by P.L. 109-114 in 2006.

The VA Franchise Fund provides an enterprise-wide focus on the delivery of high quality, efficient and effective support services to VA Administrations and Staff Offices. To enhance VA's customer relationships through participation in the overall planning and operations of revolving funds, to include the Franchise Fund and Supply Fund, VA established a Revolving Fund Board of Directors, (hereafter referred to as the "Revolving Fund Board"), aligned with the Office of Management, Office of Revolving Funds to oversee the operation of the VA Supply Fund and VA Franchise Fund (hereafter referred to as the "VA Revolving Funds"). The Revolving Fund Board functions as the principal governance body overseeing the Franchise Fund's strategic priorities, goals, and objectives; providing strategic leadership of the Franchise Fund's operations and execution and managing overall risks and challenges. The Revolving Fund Board, co-chaired by the Deputy Chief Financial Officer and Deputy Chief Acquisition Officer of the Agency, consists of voting members from VA Administrations and Staff Offices.

The Franchise Fund comprises an administrative office, Franchise Fund Oversight Office (FFO), and eight self-supporting ECs. These self-supporting lines of business are supported by the Franchise Fund and are independent service providers within VA that are accountable to the Revolving Fund Board by adhering to Franchise Fund guidance on quality, cost, and customer service.

The ECs (IT Infrastructure Operations, Debt Management Center, Financial Services Center, Law Enforcement Training Center, Personnel Security Adjudication Center, Human Capital Services Center, Internal Controls Support Center, and Center for Enterprise Human Resources Information Services) are mission-support business entities and service providers that are charged with adopting efficient business processes, standardized processes, and customer satisfaction performance metrics at a lower cost.

## Stakeholders

*External stakeholders include:* Veterans, Congress, the Office of Management and Budget, other Federal agencies, Veteran Service Organizations (VSOs) and private sector vendors.

*Internal stakeholders include:* Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), the Board of Veterans Appeals (BVA) and other Staff Offices within VA.

## Functions/Activity

The VA Franchise Fund organizations provide a wide range of functions and activities:

**Franchise Fund Oversight Office (FFO).** Located in Washington, DC, the FFO supports the Enterprise Centers and is responsible for the overall fund operations including administering the financial resources of the fund, coordinating all business activities, and serving as the liaison between the Enterprise Centers, their customers, and the Revolving Funds Board.

**IT Infrastructure Operations (ITIO).** Headquartered in Austin, TX, ITIO provides critical information technology (IT) services that deliver benefits, health, and memorial services directly to the Veteran. The ITIO division of Information Technology Operations and Services (ITOPS) focuses on consistent availability of Veteran-facing applications and quick delivery of benefits for Veterans.

**Debt Management Center (DMC).** Located in St. Paul, MN, the DMC is a centralized facility that provides direct collection of delinquent consumer debt owed to VA resulting from an individual's participation in VA's education, pension, or disability compensation programs.

**Financial Services Center (FSC).** Located in Austin, TX, Waco, TX, Neosho, MO and Washington, D.C., the FSC provides a full range of financial and accounting services. These services include financial reports and accounting, invoice payments, credit card payments, medical claims adjudication and payment processing, vendor file maintenance, discount subsistence purchases, payroll processing, and VA conference tracking and reporting. The FSC also provides customer support help desks for payroll, travel and payment processing, electronic commerce/electronic data interchange, automated document management and document storage, audit recovery, permanent change of station and temporary duty travel pay processing, common administrative services, accounting training, and consulting. The FSC's Record Center and Vault service provides records storage, protection, and management services for official Federal records including Veterans health records and VA contract documents. The 400,000 square foot facility is certified by the National Archives and Records Administration to operate as an official agency records center, storing almost two million cubic feet of records.

**Human Capital Services Center (HCSC).** Located in Washington, D.C., the HCSC provides learning management, employee accountability, internships and learning content to nearly 600,000 VA employees, contractors, volunteers, and academic affiliates. Some of our main services include VA Talent Management System (TMS) contracts and backend infrastructure, three internship

programs (Pathways, National Diversity Intern Program and Workforce Recruitment Program) and VA Emergency Alerting and Accountability System (EAAS).

**Law Enforcement Training Center (LETC).** Located in North Little Rock, AR, the LETC is the sole Federal Government provider of a unique Federal Law Enforcement Training Program that emphasizes the use of non-physical techniques to ensure the safety of patients, visitors, and staff to maintain order in a Federal institution. Our program is designed to provide law enforcement officers with the necessary skills to resolve incidents in a humane and respectful manner. This training is suitable for health-care facilities, parks, museums, and other Federal special mission or limited jurisdiction settings.

**Personnel Security Adjudication Center (PSAC).** Located in North Little Rock, AR, the PSAC provides quality and timely background investigations and suitability and national security adjudications for VA employees, affiliates (medical students, trainees, and interns) and contractors in public trust positions for all VA entities nationwide.

**Internal Controls Support Center (ICSC).** Located in Austin, TX, the ICSC provides technical assistance and assessment support for the establishment, operation, maintenance, and improvement of Internal Controls programs for the Department. ICSC will also provide fiscal and auditing support services for program offices seeking impartial reviews of programs and will provide support to selected VA Grant programs.

**Center for Enterprise Human Resources Information Services Center (CEHRIS).** Located in Washington, DC, the CEHRIS provides a standard and reliable suite of services supporting core human resources (HR) business processes; manager and employee-facing HR processes, to include capturing and managing employee and HR information throughout the employee lifecycle ensuring the VA can properly execute recruiting, staffing, employee relations, labor relations, performance management, employee benefits, payroll, separations, record keeping, data analysis and reporting.

## **Assumptions, Opportunities, and Constraints**

The VA Franchise Fund and its enterprise centers support the effectiveness and efficiency of administrative services. The enterprise centers deliver common administrative support services to Federal entities, such as Department of Homeland Security, Department of Health and Human Services, and Department of the Air Force. These services allow VA and other Federal agency customers to conserve their budgetary resources through innovative methods and efficiencies of scale with the same or lower unit costs, while improving the quality of services provided.

The Franchise Fund enables VA to leverage commercial solutions and innovative practices, increase the use of common government solutions, increase competition for government administrative support services resulting in lower costs and higher quality. The VA ECs must recover all of their expenses through revenue collection, i.e., the ECs' operations are totally dependent upon revenues realized from customers' purchases of services. After the Revolving Fund Board approves annual rates and service levels, the ECs work in direct support of their

customers to deliver exceptional customer service, performance, and costs at agreed upon levels. They also market their services as appropriate to other Federal agencies. Successful market penetration spreads the Franchise Fund’s fixed costs over a larger unit base, which leads to lower costs for all customers. This economy of scale leads to more effective use of taxpayer dollars.

During FY 2021, VA established the eighth VA Franchise Fund EC, the Center for Enterprise Human Resources Information Services (CEHRIS). CEHRIS will provide strategic efforts required to support an enterprise for human resources information services. The complete listing and summary of obligations for the ECs within the VA Franchise Fund are listed below.

<b>VA Enterprise Centers Summary of Obligations (dollars in thousands)</b>						
<b>Parent Organization/Service Activity</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>	
	<b>Actuals</b>	<b>FTE</b>	<b>Obligations</b>	<b>FTE</b>	<b>Obligations</b>	<b>FTE</b>
<b><u>Office of Human Resources and Administration/Office of Operations, Security, and Preparedness:</u></b>						
Center for Enterprise Human Resources Information Services <sup>[1]</sup>	\$0	0	\$24,024	68	\$93,568	74
Human Capital Services Center	28,411	56	34,203	61	45,411	62
Law Enforcement Training Center	20,330	92	20,874	110	21,122	110
Personnel Security Adjudication Center	<u>8,584</u>	<u>54</u>	<u>9,660</u>	<u>68</u>	<u>10,143</u>	<u>68</u>
Subtotal	\$57,325	202	\$88,761	307	\$170,244	314
<b><u>Office of Management:</u></b>						
Financial Services Center	\$689,008	832	\$656,037	1,138	\$723,192	1,271
Debt Management Center	44,433	310	42,449	317	46,194	317
Internal Controls Support Center	5,353	10	7,458	22	6,884	22
Franchise Fund Oversight Office	<u>2,552</u>	<u>5</u>	<u>3,145</u>	<u>7</u>	<u>3,387</u>	<u>7</u>
Subtotal	\$741,346	1,157	\$709,089	1,484	\$779,657	1,617
<b><u>Office of Information &amp; Technology:</u></b>						
IT Infrastructure Operations	\$364,416	462	\$463,136	550	\$465,343	550
<b>Total</b>	<b>\$1,163,087</b>	<b>1,821</b>	<b>\$1,260,986</b>	<b>2,341</b>	<b>\$1,415,244</b>	<b>2,481</b>

<sup>[1]</sup> CEHRIS reports as a Franchise Fund activity beginning in the 4<sup>th</sup> quarter of FY 2021. For FY 2021 quarters 1 through 3, this activity was reported as reimbursable authority under the Office of Human Resources and Administration.

## Summary of Revenue and Expenses

Revenue represents the total income received from all customers (both VA and other Federal agencies). Expenses represent the full cost of operations.

In 2022, the VA Enterprise Centers anticipate revenue, including other Federal agency customers, of \$1.5 billion.

<b>Revenue, Expense, and Retained Earnings</b> <i>(dollars in thousands)</i>			
	2020	2021	2022
	Actuals	Estimates	Request
Sales Program:			
Revenue	\$1,074,518	\$1,357,115	\$1,510,410
Expense	<u>1,031,560</u>	<u>1,260,986</u>	<u>1,415,244</u>
Net Income	\$42,958	\$ 96,129	\$ 95,166
Reserves <sup>[1]</sup> , Start of year	\$213,528	\$239,358	\$320,384
Net Income	42,958	96,129	96,166
Capital Transactions <sup>[2]</sup>	<u>(17,128)</u>	<u>(15,103)</u>	<u>(8,770)</u>
Reserves, End of Year	\$239,358	\$320,384	\$407,780

<sup>[1]</sup> Reserves are used to fund cash flow timing differences, periods of fluctuating workloads, and unanticipated expenses.

<sup>[2]</sup> Acquisition, improvements, or depreciation of assets.





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## *Pershing Hall Revolving Fund*

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### **Part 10**

Pershing Hall Revolving Fund ..... 475

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## *Pershing Hall Revolving Fund*

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### **Program Description**

The Pershing Hall Revolving Fund provides for the obligation and receipt of funds associated with the operation and redevelopment of Pershing Hall, an asset of the United States, located in Paris, France. The United States acquired the property in 1935 from the American Legion under the provisions of Public Law 74-171.

In 1991, VA obtained jurisdiction and control over Pershing Hall through the enactment of Public Law 102-86, which provided for the building's redevelopment and the establishment of a memorial to General Pershing through a long-term lease of up to 35 years. Two years later, Public Law 103-79 authorized a lease period not to exceed 99 years. On October 20, 1998, the Department leased Pershing Hall for a period of 99 years to the French firm of L.A. Partners. The lease provides for the building's redevelopment as a hotel and the establishment therein of a memorial. In addition to the memorial, the lease also provides for the payment of consideration to VA.

Public Law 102-86 allowed for the transfer to the Pershing Hall Revolving Fund, at such time or times as the Secretary may determine and without limitation as to year, amounts as determined by the Secretary, not to exceed \$1,000,000 in total, from funds appropriated to VA for the construction of major projects. The account from which any such amount is transferred must be reimbursed promptly from other funds as they become part of the Pershing Hall Revolving Fund. Proceeds of the Pershing Hall Revolving Fund are available to be used for two separate activities. First, the Secretary may use up to \$100,000 annually from the Fund to support projects, activities, and facilities determined by the Secretary to be in keeping with the mission of the Department. In addition, necessary expenses to operate and maintain Pershing Hall may be funded from revenue in the Pershing Hall Revolving Fund.

From 2019 through 2097, it is estimated that payments of \$25.5 million in U.S. dollars will be made to the fund based on annual lease payments, using an exchange rate of 1.21 Euros per U.S. dollar. This is expected to yield approximately \$400,000 in annual receipts. Future payments are subject to updating as described in the lease.

<b><i>Funding Highlights</i></b> <b><i>(dollars in thousands)</i></b>				
	2020	2021		2022
	Actual	Budget Estimate	Current Estimate	Estimate
Budget authority	\$0	\$0	\$0	\$0
Receipts	\$328	\$400	\$400	\$400
Obligations	\$88	\$200	\$200	\$200
Unobligated balance:				
SOY	\$2,838	\$3,037	\$3,077	\$3,277
EOY	\$3,077	\$3,237	\$3,277	\$3,477
Outlays (net)	(\$258)	\$0	(\$258)	(\$258)



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*Recurring Expense Transformational  
Fund*

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**Part 11**

Recurring Expense Transformational Fund ..... 479

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## *Recurring Expense Transformational Fund*

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### **Program Description**

The Consolidated Appropriations Act of 2016 (Public Law 114-113) authorized the Recurring Expenses Transformational Fund (Transformational Fund). Unobligated balances of expired discretionary funds appropriated in 2016 or any succeeding fiscal year from the General Fund of the Treasury to the Department of Veterans Affairs may be transferred to the Transformational Fund at the end of the fifth fiscal year after the last fiscal year for which such funds are available for the purposes for which appropriated.

Balances available in the Transformational Fund shall be available until expended for facilities infrastructure improvements, including nonrecurring maintenance, at existing hospitals and clinics of the Veterans Health Administration, and for information technology systems improvements and sustainment.

The 2022 Budget anticipates a transfer of \$820 million in unobligated balances into the Transformational Fund at the end of FY 2021, of which \$670 million will be obligated in FY 2022 for information technology systems improvements and sustainment and \$150 million will be obligated in FY 2022 for minor construction projects that improve Veterans Health Administration facilities infrastructure

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