

FY 2023 BUDGET SUBMISSION



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

Burial and Benefits Programs and Departmental Administration

Volume 3 of 4

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Volume III
Burial and Benefits Programs
and Departmental Administration

Table of Contents

Part 1: National Cemetery Administration 1

 Funding Summary..... 3

 Operations and Maintenance..... 17

 NCA Construction 31

 Grants for Construction of State Veterans Cemeteries 37

 Facilities Operation Fund..... 41

 National Cemetery Gift Fund..... 43

Part 2: Veterans Benefits Administration 45

 Executive Summary 47

 Disability Compensation..... 67

 Pension & Fiduciary 87

 Education 97

 Housing..... 113

 Veteran Readiness and Employment 125

 Insurance 139

 Outreach, Transition & Economic Development..... 149

Part 3: Benefits 163

 Compensation & Pensions 165

 Readjustment Benefits 189

 Vocational Rehabilitation Loan Program 209

 Post-Vietnam Era Education Account 215

 Mandatory Housing 219

 Native American Veterans Housing Loan Program 237

 Mandatory Insurance 245

 Filipino Veterans Equity Compensation Fund..... 255

Part 4: Board of Veterans' Appeals	259
Board of Veterans' Appeals	261
Part 5: General Administration.....	277
Summary	279
Office of the Secretary	293
Office of General Counsel	303
Office of Management	319
Office of Human Resources & Administration/Operations, Security, & Preparedness	337
Office of Enterprise Integration	367
Office of Public and Intergovernmental Affairs	375
Office of Congressional and Legislative Affairs	383
Office of Acquisition, Logistics, and Construction	389
Veterans Experience Office	401
Office of Accountability and Whistleblower Protection	417
Asset and Infrastructure Review Commission.....	427
Inspector General	431
Office of Acquisition and Logistics/Office of Acquisition Operations: Supply Fund	455
Franchise Fund; Enterprise Centers	461
Pershing Hall Revolving Fund.....	469
Recurring Expense Transformational Fund	471



National Cemetery Administration

Part 1

Funding Summary.....	3
Operations and Maintenance.....	17
NCA Construction	31
Grants for Construction of State Veterans Cemeteries	37
Facilities Operation Fund.....	41
National Cemetery Gift Fund.....	43

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National Cemetery Administration

Funding Summary

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 and local/municipal government cemeteries are stakeholders. Each year, VA furnishes more than 200,000 headstones and markers for Veterans' gravesites in these 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 or 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.

Local universities, colleges and K-12 institutions, and the scholars, teachers and students of all levels are stakeholders in helping to research and produce instructional materials for the Veterans Legacy Program. Each of the stakeholders leverage unique geographic and demographic characteristics of the local communities to partner with NCA in memorializing our nation's Veterans.

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 and 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
- **Cremation Urns and Commemorative Plaques (beginning in 2023):** Provide on request, in lieu of furnishing a headstone or marker, an urn or commemorative plaque for an eligible deceased individual not already buried who served in the Armed Forces.

Veterans Legacy Program and Veterans Legacy Memorial

The Office of Engagement and Memorial Innovation connects the public with VA memorial benefits, the heritage of NCA and the legacies of those that served.

- **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;
- **Veterans Legacy Program (VLP):** Use national cemeteries to enhance the way in which VA memorializes our nation's Veterans and increases the public's awareness of the value of military service. VLP engages scholars, teachers, and students of all levels in researching Veterans in their local national cemeteries and producing that research into instructional materials for K-12 schools and public benefit; and
- **Veterans Legacy Memorial (VLM):** Engage the public in digital Veteran memorialization through an interactive website allowing online visitors to pay their respects to more than 3.7 million Veterans interred in VA National Cemeteries. Starting in 2021, visitors could also pay their respects to Veterans buried in VA grant-funded state and tribal cemeteries. VLM now allows family, friends and others to post tributes to a Veteran's page and to share Veteran pages using email, Facebook and Twitter. Tributes can be made in three ways: as a direct entry on a Veteran's page; as a reply to someone else's tribute on a Veteran's page; or as a direct entry to a memento (photo) on a Veteran's page.

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% of Veterans with access to a burial option within 75 miles of their home
- Outcomes: Ensure "National Shrine" standards of appearance at all VA national cemeteries
- Customer Service: Deliver world class customer service to all of 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 six 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

Summary of Total Budgetary Resources for NCA Programs					
(\$s thousands)					
	2021 Actual	2022 Request	2022 Estimate	2023 Request	Increase (+) Decrease (-)
Operations and Maintenance..	\$352,000	\$394,000	\$394,000	\$430,000	+\$36,000
Major Construction.....	94,000	130,500	130,500	140,000	+9,500
Minor Construction.....	80,167	106,990	106,990	157,265	+50,275
Grants for Construction of					
Veterans Cemeteries ^{1/}	45,000	45,000	45,000	50,000	+5,000
Facilities Operation Fund.....	215	282	355	282	-73
National Cemetery Gift Fund..	280	1,000	1,000	1,000	0
Compensation and Pension:					
Headstones & Markers.....	96,705	100,726	91,649	93,059	+1,410
Graveliners & OBR					
Reimbursements ^{2/}	50,441	51,147	34,159	37,419	+3,260
Casket & Urns ^{2/}	417	405	336	307	-29
Total Budgetary Resources	\$719,225	\$830,050	\$803,989	\$909,332	+\$105,343

¹ Veteran Cemetery Grants FY22 enacted amount of \$48.5 million

² Current 2023 estimates for outer burial receptacles and casket and urns do not include the cost of benefits authorized under P.L. 116-315, The Veterans Health Care and Benefits Improvement Act of 2020.

Relationships Among Programs and Appropriations

NCA receives funding from seven appropriation accounts. In 2023, 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 seven related programs: Veterans Cemetery Grant Program (VCGP), Headstone, Marker and Medallion program, Presidential Memorial Certificate (PMC) program, First Notice of Death (FNOD) program, Casket & Urn reimbursements, Outer Burial Receptacle (OBR) reimbursements and beginning in 2023, Cremation Urns and Commemorative Plaques. The purchase and transportation costs of the headstones and markers, medallions, pre-placed crypts and the OBR, casket and urn reimbursements and cremation urns and commemorative plaques are financed from the Compensation and Pensions appropriation.

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, counties 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, counties 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 is 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.

2023 Budget Highlights

The 2023 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% 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 \$140 million major construction request for NCA in 2023 includes \$126 million to fund a replacement cemetery in Albuquerque, a gravesite expansion at Jefferson Barracks and Phase 1C at Western New York. An additional \$14 million is requested for Advanced Planning and Design and Land Acquisition funds used for new cemeteries and future expansions to maintain access to existing national cemeteries. NCA requests \$157.3 million in the 2023 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. In 2023, NCA is requesting the total estimated cost for 91% of all new start projects in the Minor Construction account. This will

allow NCA the option to utilize design/build acquisition strategies that require full funding at the time of the initial award. Additionally, NCA is committed to reducing the number of critical FCA infrastructure deficiencies related to safety and/or compliance and will partially address the growing list of FCA deficiencies rated D and F through the Minor Construction account.

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 2023, NCA requests \$50 million for Grants for Construction of Veterans Cemeteries to provide additional establishment and expansion grants to state, county and tribal organizations in support of increasing burial access. The 2022 Grants Priority List has 43 conforming projects totaling over \$110 million in grant opportunities. Of this list, 10 grant requests are for establishment projects (i.e., potential new cemeteries) totaling \$36 million in grant opportunities. The Grants program plays a crucial role in achieving NCA's strategic target of providing 95% of Veterans with reasonable access to a burial option. In addition, the Grant program is a cost-effective alternative to VA construction and recurring operating expenses.

In a June 2021 report, the VA Office of Inspector General (OIG) stated, "Increased funding would support projects not only to improve cemetery appearance, but also to expand and create new cemeteries." These grants help NCA meet its strategic goal of providing 95% of Veterans a burial option within 75 miles of their residence. OIG recommended that NCA continue to seek an increase in cemetery grant funding in excess of \$45 million. NCA concurred in principle with this recommendation and will continue to seek federal funds to adequately address the Grant program through the federal budget process.

In 2023, NCA requests \$3.0 million and 5 FTE for the continued activation of the Indianapolis and New York urban columbarium-only cemeteries, the rural cemetery in Cedar City, UT and initial activation of the rural cemetery in Elko, NV. One additional FTE is also requested for operation of the Fort McClellan Post Cemetery, which was transferred from DoD in September 2020. Activation begins one-year prior to opening a new cemetery and continues as operations ramp up after opening. 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 \$9.4 million and 25 FTE for existing cemeteries facing workload increases and project expansions in 2023. Annual Veteran deaths are projected to be 570,000 in 2022 and are projected to slowly decline. The number of interments is expected to be 136,520 in 2022, after which they are projected to slowly decline. The total number of gravesites increased from nearly 3.7 million in 2018 to more than 4.0 million in 2021. The number of gravesites is expected to reach almost 4.2 million in 2023. NCA maintains more than 23,000 acres with the total developed acreage projected to reach 9,702 in 2023, an increase of 1.5% over the 9,559 developed acreage 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.

The 2023 Budget request includes \$1.5 million and 17 FTE to support NCA's initiative to maintain timely access to the burial benefits earned by our Nation's Veterans. The National Cemetery Scheduling Office (NCSO) supports multiple services for Veterans and their family members and is the primary point of contact to initiate the scheduling of burials for all 158 VA national cemeteries managed by NCA. The NCSO has two primary divisions with missions to support burial services for NCA. The Scheduling Division serves as the NCA contact center and primary point of contact for burial scheduling and coordinates with cemetery directors and staff to ensure interments occur seamlessly. The Time of Need Eligibility Division provides eligibility determination assistance and requests military records from DOD sources to verify military service for the purpose of interment scheduling. In addition, the NCSO also supports advance-of-need application requests for Veteran and family members planning their legacy through the Pre-Need Program. This initiative will create a new "hybrid" Cross-Functional Team of 14 FTE to support operational workload spikes across the NCSO (call volumes, time-of-need cases and pre-need applications). The initiative will also provide 3 FTE to support the Pre-Need Program. As a result of targeted awareness campaigns, NCA anticipates an increase in both eligibility determinations and pre-need applications. The additional staff hired with the requested resources are necessary to manage the projected workload and meet performance processing targets.

Outcomes - Accountability

NCA requests \$2.1 million and 13 FTE to improve the accountability of remains and validate, rectify and quantify the tasks associated with cemetery and burial operations. The Discrepancy Resolution Program focuses on accounting for remains, marking of graves and mapping of national cemeteries through comparison of inscribed headstone and marker names at each cemetery to the associated permanent interment records and identify discrepancies for further evaluation. Through this initiative, cemeteries will dedicate existing cemetery-level SMEs to conduct extensive research, analysis and resolution actions to resolve complex Discrepancy Resolution Report actions. The requested FTE will directly support internal control efforts by allowing experienced cemetery staff to conduct reviews and resolve discrepancies while new hires perform operational duties.

Funding is also requested to conduct a cemetery workload evaluation study to measure cemetery operational activities such as interment and grounds maintenance time analysis to ensure cemeteries are resourced appropriately. This initiative will evaluate the time measures for field cemetery operations to accurately build resource requirements and reduce subjective estimates for workload and FTE requests. The study will strengthen NCA's capability to continuously assess and improve the operation and maintenance of Veterans cemeteries and develop financial controls to ensure proper use of the resources of the organization.

Outcomes - Infrastructure Modernization

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 requests \$6.7 million and 4 FTE to support initiatives for Infrastructure Modernization, which includes \$4 million to maintain VA cemeteries as 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% 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.

Internally, NCA has undertaken a critical effort to deploy iFAMS in 2021 for funds used solely by NCA. NCA's successful implementation of iFAMS is key to VA's eventual enterprise-wide deployment. In 2023, additional resources will be dedicated to conduct further systems implementation, regression testing, increase audit readiness, train employees and provide customer service sustainment support as NCA prepares for future iFAMS waves impacting the remaining appropriations that fund NCA (e.g., Major and Minor Construction and the Compensation, Pensions and Burial Benefit appropriations). 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.

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. Results from 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 demonstrate 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 2023, 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.

Modernizing Memorialization

Veterans Legacy Memorial (VLM) website is the nation's first digital platform dedicated entirely to the memory of more than 3.7 million Veterans interred in VA's national cemeteries. Utilizing modern technology, NCA constantly seeks innovative ways to help the public memorialize Veterans resting in our cemeteries to ensure that they are never forgotten. Launched in 2019,

individual Veteran profile pages are populated with military service and cemetery information. Publicly available information gathered from VA records includes service branch with logo, dates of birth and death, rank, war period, decorations, emblem of belief and cemetery information. Approximately half of all Veteran profile pages currently display headstone/marker photos and a mapping feature, and as NCA obtains more photos and longitude and latitude coordinates, these will be added to VLM on a rolling basis. Interactive features allow family, friends and others to post Tributes (comments), upload images, share their Veteran's military service timeline and achievements, biographical information, historical documents and more. The site also allows visitors to share Veteran profile pages by email and post them to Facebook and Twitter. Additionally, VLM users can "Follow a Veteran" to receive email alerts when new content is added to that Veteran's page. NCA will use the resources requested in the budget to continue growth and expansion of the Veterans Legacy Memorial, expand digital memorialization capability to the public and connect to new audiences.

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 2021, NCA interred 149,925 Veterans and eligible family members. Interments increased 18.2% from the previous year, primarily due to the impact of the COVID-19 pandemic. Most of the cremated remains were re-scheduled for 2021 to allow family members time to coordinate proper burial.
- In 2023, NCA is expected to inter 135,079 Veterans and eligible family members, a decrease of 1.1% from the 136,520 interments projected to occur in 2022. While the number of interments is expected to slowly decline, NCA must maintain the accumulation of gravesites in perpetuity. The total number of gravesites increased from nearly 3.8 million in 2018 to more than 4.0 million in 2021. The number of gravesites maintained is expected to reach almost 4.2 million in 2023. With the opening of new cemeteries and gravesite expansion projects underway, the number of developed acres will reach 9,702 in 2023, an increase of 1.5% over the 9,559 developed acres in 2022.
- NCA established the Veterans Legacy Program on Memorial Day 2016 to fulfill our mission to memorialize Veterans in perpetuity, and to do that in innovative and engaging ways. VLP seeks to engage educators, students, researchers and the general public to build an appreciation of what earlier generations have given to the nation and help us understand why this ground is set aside as "national shrines to the gallant dead." VLP connects universities and K-12 schools to share in the process of community research: K-12 students and undergraduates; teachers and professors. To date, VLP has facilitated the discovery of nearly 1,000 Veterans' stories which have been researched and shared by 55 professors, 260 K-12 teachers, 200 college students and 9,000 K-12 students.
- 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 2021, NCA marked 92.4% of graves in national cemeteries within 60 days of the date of interment, an increase of 5.7% from 2020. In 2021, the average number of days to mark a grave was 31. 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 2021, NCA processed 64% of applications for headstones and markers for such Veterans within 20 days of receipt, due to issues in obtaining military records from the National Personnel Records Center. Ultimately, NCA expects to process at least 90% of headstone and marker applications within 20 days of receipt. In 2022, NCA expects to process nearly 340,000 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 at National Cemeteries. Currently, NCA is providing same-day PMCs at almost 90 cemeteries. NCA issued over 528,600 PMCs in 2021 and in 2022 expects to deliver almost 547,000 PMCs.

Key Performance Goals

Key Performance Measures – Burial Program				
Measure Description	2021 Actual	2022 Target	2023 Target	Strategic Target
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	93.8%	94.0%	94.1%	95.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	97.3%	97.0%	97.0%	99.0%
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need	98.6%	99.0%	99.0%	99.0%
Percent of respondents who rate national cemetery appearance as excellent	98.7%	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%. In order to achieve this goal, VA needs to increase/maintain access through:

- developing additional national cemeteries to increase access;
- expanding existing national cemeteries to maintain access; and
- 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. In addition, 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 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.

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 3.5 million Veterans and their families will be provided new or enhanced burial access.

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); Rhinelander, 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

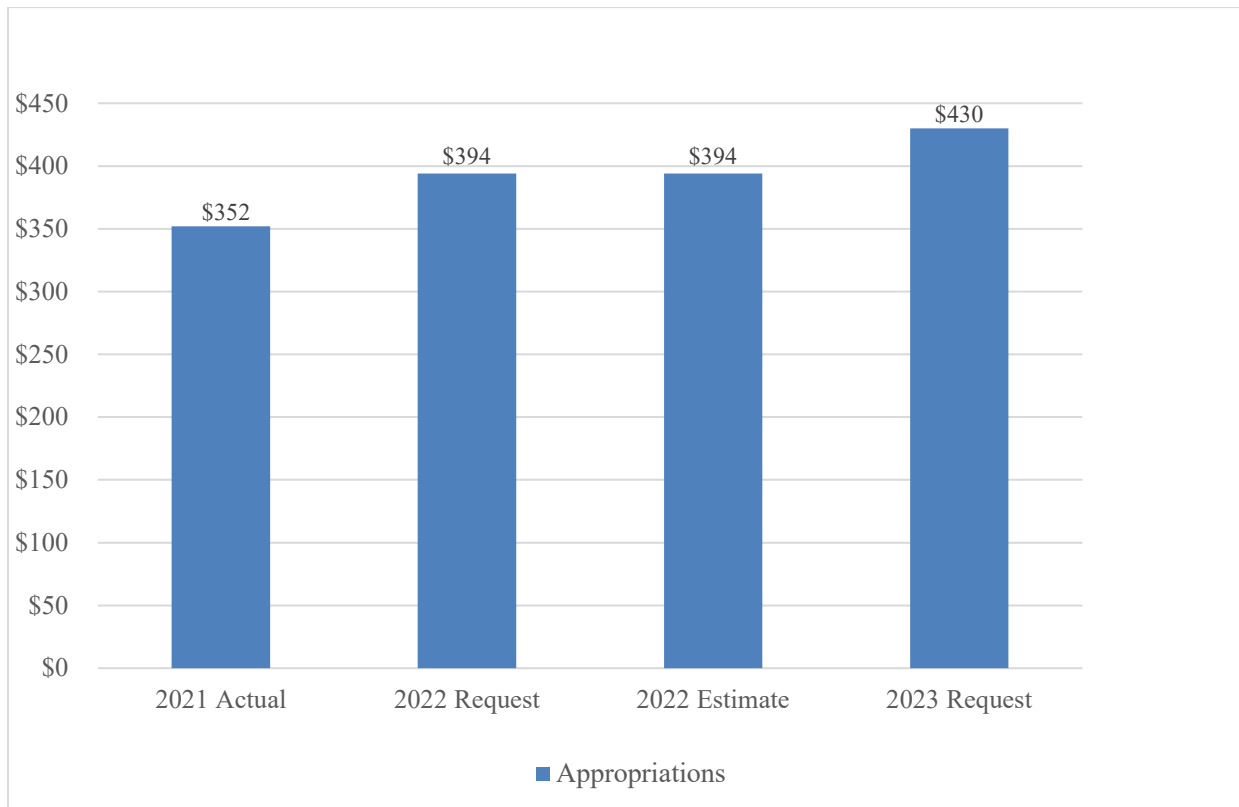
between the units and maintenance of surrounding walkways. Grass, shrubbery and trees in burial areas and other land no longer in a natural state must receive regular care. Cemetery infrastructure, including buildings, grounds, walks and drives must be repaired as needed. NCA will continue to collect 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

Budget Authority (\$s millions)



Appropriation Language

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; hire of passenger motor vehicles; and repair, alteration or improvement of facilities under the jurisdiction of the National Cemetery Administration, \$430,000,000, of which not to exceed 10 percent shall remain available until September 30, 2024.

Appropriation Highlights

(\$000) ^{1/}

	2021 Actuals	2022 Request	2022 Estimate	2023 Request	Increase (+) Decrease (-)
FTE^{2/}	2,120	2,217	2,217	2,281	+64
Cemetery Operations	\$284,169	\$317,247	\$323,891	\$348,055	+\$24,164
Memorial Operations	11,793	9,954	9,954	10,232	+279
Direct Field Support Operations	30,630	32,803	32,803	37,571	+4,767
Administrative Operations	28,287	35,996	35,996	36,141	+145
Total Obligations	\$355,330	\$396,000	\$402,664	\$432,000	+\$29,356
Reimbursements (-)	-1,674	-2,000	-2,000	-2,000	0
Unob Bal Brought Forward SOY	-42	0	-5,044	0	+5,044
Unob Bal Transfer from Other Acct	-8,400	0	-1,600	0	+1,600
Unob Bal Transfer to Other Acct	5,000	0	0	0	0
Unob Bal Brought Forward EOY	1,788	0	0	0	0
Recycling Revenues (-)	-2	0	0	0	0
Budget Authority	\$352,000	\$394,000	\$394,000	\$430,000	+\$36,000
Net Appropriation	\$352,000	\$394,000	\$394,000	\$430,000	+\$36,000

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

² 2021 - FTE is 42 higher than reported in the Budget Appendix. Due to complexities related to year-end close in the new financial system, fully reconciled FTE were not available in time for Appendix data entry; 2022 – The Current Estimate reflects the 2022 President’s Budget request.

Program Activities and Administration

The Operations and Maintenance appropriation request in the 2023 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 seven related programs: Veterans’ Cemetery Grants Program (VCGP), Headstone and Marker program, Presidential Memorial Certificate (PMC) program, Outer Burial Receptacle (OBR) reimbursements, Casket & Urn reimbursements, First Notice of Death (FNOD) and beginning in 2023, Cremation Urns and Commemorative Plaques. 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 and cremation urns and commemorative plaques 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 (Accountability and Infrastructure Modernization)
- 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 2023, 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 monetary burial benefits.

The Office of Engagement and Memorial Innovation connects the public with VA memorial benefits, the heritage of NCA and the legacies of those that served.

- **Historic Cemetery Landscapes:** Serves as the steward of VA historic national cemeteries and Soldiers' lots to preserve and promote the rich heritage of NCA and the memorial objects honoring Veterans buried in them.
- **Digital Services:** Maintains an online memorial platform, Veterans Legacy Memorial (VLM), which modernizes memorialization. Launched in 2019 with Veteran service and cemetery information, VLM now allows family, friends and others to post tributes to a Veteran's page and to share Veteran pages using email, Facebook and Twitter. Tributes can be made in three ways: as a direct entry on a Veteran's page; as a reply to someone else's tribute on a Veteran's page; or as a direct entry to a memento (photo) on a Veteran's page.
- **Veterans Legacy Program (VLP):** Engages scholars, teachers and students of all levels in researching Veterans in their local national cemeteries and producing that research into instructional materials for K-12 schools and public benefit.

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 \$430,000,000 in budget authority and 2,281 FTE for Operations and Maintenance in 2023.

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 2023 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% 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 2023, NCA requests \$3.0 million and 5 FTE for the continued activation of the Indianapolis and New York urban columbarium-only cemeteries, the rural cemetery in Cedar City, UT and initial activation for the rural cemetery in Elko, NV. One additional FTE is also requested for the operation of the Fort McClellan Post Cemetery, transferred from DoD in September 2020. Activation costs begin one-year prior to opening a new cemetery and continue as operations ramp up after opening. 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 \$9.4 million and 25 FTE for existing cemeteries facing workload increases and project expansions in 2023. Annual Veteran deaths are projected to be over 570,000 in 2022 and are projected to slowly decline. The number of interments is expected to be 136,520 in 2022, after which they are projected to slowly decline. The total number of gravesites maintained increased from nearly 3.7 million in 2018 to more than 4.0 million in 2021 and is expected to reach almost 4.2 million in 2023. NCA maintains more than 23,000 acres with the total developed acreage projected to reach 9,702 in 2023, an increase of 1.5% over the 9,559 developed acreage 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.

NCA requests \$1.5 million and 17 FTE to support NCA's initiative to maintain timely access to the burial benefits earned by our Nation's Veterans. Funding will be used to create a new Cross-Functional Team of 14 FTE to support operational workload spikes across the National Cemetery Scheduling Office (NCSO) (call volumes, time of need cases and pre-need applications). NCSO annual call volumes increased by 46,016 calls (17%) from 2020 to 2021 and is expected to increase an additional 27,000 calls (8.5%) in 2022. In 2021, the NCSO received 49,691 Pre-Need applications, a decrease of 4.2% from the 51,866 Pre-Need applications received in 2020. The NCSO received over 14,000 applications in the first four months of 2022, putting them on track to receive over 48,000 this fiscal year. In 2023, Pre-Need application requests are expected to increase due to outreach activities. The additional staff hired with the requested resources are necessary to manage the increased workload and meet performance processing targets.

Outcomes - Accountability

NCA is focused on improving internal processes so our stakeholders will place even greater trust in NCA. NCA requests \$2.1 million and 13 FTE to support initiatives that improve our internal controls and help us focus on continuous improvements for cemeteries. The Discrepancy

Resolution Program focuses on accounting for remains, marking of graves and mapping of national cemeteries through comparison of inscribed headstone and marker names at each cemetery to the associated permanent interment records and identify discrepancies for further evaluation. Through this initiative, cemeteries will dedicate existing cemetery-level SMEs to conduct extensive research, analysis and resolution actions to resolve complex Discrepancy Resolution Report actions. The requested FTE will directly support internal control efforts by allowing experienced cemetery staff to conduct reviews and resolve discrepancies while new hires perform operational duties. Also, the requested resources will be utilized to evaluate the time measures for field cemetery operations to accurately build resource requirements reducing the subjective estimates for workload and FTE requests. The study will strengthen NCA's capability to continuously assess and improve the operation and maintenance of Veterans cemeteries and develop financial controls to ensure proper use of the resources of the organization.

Outcomes - Infrastructure Modernization

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 requests \$6.7 million and 4 FTE to support initiatives for Infrastructure Modernization which includes \$4 million to provide national shrines with lasting tributes that commemorate Veteran's service and sacrifice. NCA will continue to invest in projects to raise and realign headstones and markers and repair turf to maintain cemeteries as national shrines. As of October 2021, 63% of headstones and markers were at the proper height and alignment and 87.6% were considered clean. The requested funding will set NCA on a path to meet its strategic target of 90% of headstones and markers at proper height and alignment and 95% considered clean. In addition, \$1.0 million will address projects identified on the Facility Condition Assessment (FCA) to ensure safe and effective cemetery operations. 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. This initiative also includes \$1.7 million and 4 FTE for FMBT Financial Modernization and Business Transformation. The additional resources will be dedicated to conduct further systems implementation regression testing, increase audit readiness, train employees and provide customer service sustainment support as NCA prepares for future iFAMS waves impacting the remaining appropriations managed by NCA (e.g. Major and Minor Construction and the Compensation, Pensions and Burial Benefit appropriations). 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.

Summary of Cares Act Funds

<i>Cares Act Funding</i>					
(\$s thousands)					
	2021	2022	2022	2023	Increase (+)
	Actuals	Request	Estimate	Request	Decrease (-)
Total Obligations	\$11,892	0	0	0	0
Appropriation Transfer from Other Acct	-12,000	0	0	0	0
Unob Bal EOY	108	0	0	0	0
Budget Authority	0	0	0	0	0

Section 515 of Public Law 116-260, the Consolidated Appropriations Act, 2021, allowed 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. In 2021, NCA conducted 149,925 interments, 9.8% higher than projected, primarily due to the interment of delayed burials from 2020. CARES Act funds of almost \$600 thousand were provided throughout the cemetery system for overtime costs used to meet the increased workload.

In addition to overtime, CARES Act funds were used for employee sanitizing supplies and personal protective equipment, as well as enhanced cleaning services in accordance with CDC guidelines and recommended products. Purchases included supplies necessary for the safe operation of cemeteries such as sneezeguards, cleaning stations, bottle refilling stations and power washers.

CARES Act funds were also used to fund projects and items that were delayed due to the need to reallocate monies to address the impact of COVID-19. For example, some of our national cemeteries had to forego previously scheduled and planned cemetery maintenance work in order to comply with COVID protocols and/or focus on increased burial operations due to COVID. In other instances, NCA funded equipment purchases due to the increase in interments at some cemeteries as well as privacy/distance concerns associated with COVID.

<i>Analysis of Increases and Decreases</i>		
(\$000)		
	2022 Estimate	2023 Request
Prior Year Obligations	\$359,100	\$396,000
Pay Raise Impact to Total Payroll	6,734	9,990
Non-Payroll Inflation	2,628	3,424
iFAMS Operation Reimbursement ^{1/}	4,404	0
New Cemetery Activation	7,586	2,987
Workload at Existing Cemeteries	7,654	9,437
Additional Investments	7,950	10,296
<i>Access [non-add]</i>	2,034	1,469
<i>Accountability [non-add]</i>	4,303	2,175
<i>Customer Service [non-add] ^{1/}</i>	1,256	0
<i>Infrastructure Modernization [non-add]</i>	357	6,651
Changes in contracts, other services and travel	-56	-132
Total Obligations	\$396,000	\$432,000

^{1/} 2023 funds included in base budget; no increase requested.

The 2023 budget request includes obligations of \$432.0 million for operations and maintenance, including 2,281 FTE (nearly 86% of which are field employees and approximately 75% are Veterans) to meet increasing workload and burial expansions as well as funding in support of investments critical to NCA priorities.

Current Services

Pay Raise Impact to Total Payroll - \$10 million for the cost of the anticipated 4.6% pay raise and changes in the average grade structure of NCA employees.

Non-payroll Inflation - \$3.4 million for non-payroll inflationary increases.

New Cemetery Activation - \$3.0 million and 5 FTE for the continued activation of the St. Albans and Indianapolis columbaria-only urban cemeteries, the Cedar City rural cemetery and the DoD-transferred cemeteries, as well as initial activation for the Elko rural cemetery. 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 - \$9.4 million and 25 FTE for the existing cemeteries facing workload increases and project expansions in 2023. 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 - \$1.5 million and 17 FTE to support workload increases at the National Cemetery Scheduling Office.

Accountability - \$2.2 million and 13 FTE to support the following initiatives:

- \$1.1 million and 13 FTE to provide resources for the Gravesite Discrepancy Resolution program.
- \$1.1 million to develop financial controls to ensure proper use of the resources of the organization.

Infrastructure Modernization - \$6.7 million and 4 FTE to support the following initiatives:

- \$4.0 million to preserve National Shrine standards to address gravesite renovations to raise and realign headstones and markers and to repair and replace turf.
- \$1.0 million for Non-Recurring Maintenance to address projects identified by FCAs to ensure safe and effective cemetery operations.
- \$1.7 million and 4 FTE to assist in the transition with technical assistance as well as training development and delivery and iFAMS SME support for testing and implementation activities associated with upcoming FMBT waves (Major & Minor Construction and Burial Benefits).

Employment Summary - FTE by Grade				
# of FTE ^{1/}	2021 Actuals	2022 Estimate	2023 Request	Increase (+) Decrease (-)
SES	22	22	22	0
GS-15	31	31	31	0
GS-14	98	100	100	0
GS-13	163	168	172	+4
GS-12	80	82	82	0
GS-11	87	90	94	+4
GS-10	27	27	44	+17
GS-9	136	162	175	+13
GS-8	9	9	9	0
GS-7	230	413*	413	0
GS-6	172	3*	3	0
GS-5	23	23	23	0
GS-4	6	6	6	0
Wage Grade (non-GS)	1,036	1,081	1,107	+26
Total Number of FTE	2,120	2,217	2,281	+64

¹ 2021 - FTE is 42 higher than reported in the Budget Appendix. Due to complexities related to year-end close in the new financial system, fully reconciled FTE were not available in time for Appendix data entry; 2022 – The Current Estimate reflects the 2022 President’s Budget request.

* Reflects upgrade of cemetery representative positions to full performance level

Analysis of FTE Distribution HQ/Field		
# of FTE	2021 HQ Actuals	2021 Field Actuals
SES	12	10
GS-15	21	10
GS-14	65	33
GS-13	85	78
GS-12	23	57
GS-11	27	60
GS-10	0	27
GS-9	28	108
GS-8	0	9
GS-7	32	198
GS-6	3	169
GS-5	4	19
GS-4	0	6
Wage Grade (non-GS)	1	1,035
Total Number of FTE	301	1,819

Summary of Employment and Obligations

(\$000)

	2021	2022	2022	2023	Increase (+)
	Actual	Request	Estimate	Request	Decrease (-)
FTE¹	2,120	2,217	2,217	2,281	+64
VACO	301	309	309	314	+5
Field Stations	1,819	1,908	1,908	1,967	+59
Obligations					
Personnel Services	\$201,309	\$217,179	\$217,179	\$233,030	+\$15,851
Travel	2,775	3,083	3,083	3,145	+62
Transportation of Things	2,421	2,129	2,129	2,171	+42
Rents, Communications and Utilities	15,370	16,245	16,245	16,570	+325
Printing and Reproduction	2,064	2,134	2,134	2,177	+43
Other Services	96,979	119,541	119,541	123,945	+4,404
Supplies and Materials	13,376	13,428	13,428	18,716	+5,288
Equipment	18,470	19,065	19,065	26,986	+7,921
Land and Structures	2,502	3,091	3,091	3,153	+62
Grants, Judgements, Interest, & Insurance	64	106	106	2,108	+2,002
Total Obligations	\$355,330	\$396,000	\$396,000	\$432,000	+\$36,000

¹ 2021 - FTE is 42 higher than reported in the Budget Appendix. Due to complexities related to year-end close in the new financial system, fully reconciled FTE were not available in time for Appendix data entry; 2022 – The Current Estimate reflects the 2022 President’s Budget request.

Personnel Services: The 2023 request includes an additional 64 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 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.

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.

- 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 23,000 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. Initial orders of supplies and materials are needed for activation of new cemeteries as well as to maintain adequate supplies at cemeteries with expansion projects and increased workload.

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 operation or administrative actions. Incorporates realignment of \$2 million from Other Services funding to Veterans Legacy Grants as authorized by 38 U.S.C. § 2400, notation to Public Law 116-107 (Jan. 17, 2020). Grant funding is available to applicants found eligible to receive a Veterans Legacy Grant to tell the stories focused on underrepresented Veterans or Service Members to include, and not limited to, race, ethnicity, identity and Veterans from our LGBTQ communities, from any period of American history, so they are honored in perpetuity.



National Cemetery Administration Construction Program

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%. The percent of Veterans served by a burial option in a national or state Veterans cemetery was 93.8% in 2021. 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, CA, San Francisco/Oakland, CA, Chicago, IL, New York, NY and Indianapolis, IN 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 the fall of 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 and the second rural cemetery opened in 2019 in Fargo, ND. Four additional rural cemeteries opened in 2020 (Northwoods, WI, Snake River Canyon, ID, Acadia, ME and Cheyenne, WY), and one is scheduled to open in 2022 (Cedar City, UT). The land acquisition for the final Rural Initiative at Elko, NV was completed in 2021 and construction will begin in 2022.

The 2023 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 2023 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

Major Construction Funding for NCA Programs					
(\$s thousands)					
Construction	2021 Actual	2022 Request	2022 Estimate	2023 Request	Change 2023 v 2022
<u>Cemetery Expansion and Improvement:</u>					
Fort Sam Houston, TX Gravesite Expansion.....	\$56,000	\$0	\$0	\$0	\$0
Miramar, CA Gravesite Expansion.....	\$31,000	\$0	\$0	\$0	\$0
Ft. Logan, CO Gravesite Expansion.....	\$0	\$50,000	\$50,000	\$0	-\$50,000
Indiantown Gap, PA Gravesite Expansion.....	\$0	\$44,500	\$44,500	\$0	-\$44,500
Albuquerque, NM Gravesite Development.....	\$0	\$0	\$0	\$57,000	+\$57,000
Jefferson Barracks, MO Gravesite Expansion.....	\$0	\$0	\$0	\$44,000	+\$44,000
Western New York, NY Gravesite Development.....	\$0	\$0	\$0	\$25,000	+\$25,000
Advance Planning and Design Fund	\$2,000	\$35,000	\$35,000	\$13,000	-\$22,000
Land Acquisition	\$5,000	\$1,000	\$1,000	\$1,000	\$0
Total, Major Projects	\$94,000	\$130,500	\$130,500	\$140,000	+\$9,500

The 2023 major construction request for NCA includes funding for one replacement gravesite project in Albuquerque, one gravesite expansion project at Jefferson Barracks and one gravesite development at Western New York. Funding is also requested for Advanced Planning/Design and Land Acquisition funding for new cemeteries and future expansions to maintain access to existing national cemeteries.

Albuquerque National Cemetery Gravesite Development

This is a gravesite development project that will provide burial facilities for eligible Veterans and their dependents in the Albuquerque, New Mexico area. The proposed cemetery will replace the existing Santa Fe National Cemetery which has been serving Veterans in central New Mexico since 1868 and will be depleting all available gravesites with no opportunity for further gravesite development at the current site. By the end of 2020, Santa Fe National Cemetery conducted 64,527 cumulative interments on less than 85 total acres and ranked the 28th busiest cemetery by burial workload within NCA's 158 national cemeteries. Without this investment, Santa Fe National Cemetery will begin closing casketed first interment burials in September 2030 and in-ground cremains in September 2028, leaving over 81,000 Veterans without burial options they have relied upon since 1868.

This Phase 1 gravesite development project will provide an initial 15-year gravesite burial inventory as well as supporting facilities and infrastructure necessary to maintain and operate the cemetery. The remainder of the site will be developed in future phased projects in accordance with the cemetery master plan. The investment will develop approximately 55 acres of the estimated 335-acre anticipated land acquisition site and provide roughly 28,100 gravesites, including casket, cremation, natural (green) burial and memorial wall spaces. In addition to developing casket and

cremation gravesite burial options and supporting infrastructure, this project provides for other needed cemetery enhancements to include administration and maintenance facilities, Honor Guard building, committal shelters, memorial walkways and infrastructure (roadways, utility systems, irrigation, signage, fencing and landscaping). The latest technology in energy efficiency, LEED and Green Globe building requirements will be incorporated into this project. This project will not provide for any construction activities at the prior Santa Fe National Cemetery location.

Jefferson Barracks National Cemetery Phase I Gravesite Expansion

This is a Phase 1 gravesite development project on new land that will enable Jefferson Barracks National Cemetery to continue providing burial services for eligible Veterans in Northeastern Missouri and Southwestern Illinois. Jefferson Barracks National Cemetery first opened for burials in 1827 and serves an estimated 207,800 Veterans within a 75-mile service area in the St. Louis metropolitan area. In 2020, this cemetery conducted 228,983 cumulative interments and ranked the 4th busiest national cemetery by interment workload. With these burial rates, NCA projects gravesite depletion of casketed gravesites by August 2031, in-ground cremation gravesites by July 2026 and columbarium niche interment sites by April 2030. 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.

With the entire existing cemetery grounds developed, this project will master plan the newly acquired 33.6 acres and fully develop the cemetery to provide approximately 31,600 gravesites, including casket and cremation sites and memorial wall spaces in the new burial sections. In addition to developing a 15-year inventory of both casket and cremation gravesite burial options, this project provides for other needed cemetery enhancements. The Public Information Center-Administration and Maintenance Complex buildings will be evaluated for repairs, upgrades and expansion, as will the electrical systems and cemetery lighting. The existing seven committal service shelters will also be evaluated for repairs, to include corrections of the walkways and masonry floors. The columbarium will be evaluated for cracking, water intrusion and structural integrity with corrections included. This project will also address corrections as identified in the latest Facility Condition Assessment (FCA) for items rated D or F.

Western New York National Cemetery Gravesite Development – Phase 1C

The purpose of the collective project is to establish a new national cemetery to provide burial services for eligible Veterans in the Western New York area that are not already being conveniently served by an open national or state Veterans cemetery within a 75-mile radius of their residence. To ensure the earliest possible delivery of an operational national cemetery, the project is being constructed in three sub-phases: Phases 1A, 1B and 1C. Phase 1A, which is completed, enabled VA to open this new cemetery for interments in December 2020. Phase 1B is funded and currently in progress. This funding request is for Phase 1C, which will construct a maintenance complex, Honor Guard building and other required cemetery improvements.

The collective project will develop approximately 65 acres and provide an estimated 8,200 gravesites including casket, cremation and memorial wall spaces as well as supporting facilities and infrastructure necessary to maintain and operate the cemetery. Phase 1A delivered 2,822 gravesites for casket interments and 1,500 in-ground cremains plots as well as temporary and permanent structures and associated services essential for the administration, operation and

maintenance of the cemetery. Phase 1B will complete the balance of the burial options (to include columbarium, memorial walls and ossuary), additional roadway, parking, signage, site furnishings, landscaping and irrigation as needed and a second permanent committal shelter. Phase 1C will include construction of a permanent maintenance complex, an honor guard building and completion of the following items: entrance area; roadway system, access roads and parking; site furnishings, receptacles and signage; grading and drainage; and fencing and landscaping.

Advance Planning and Design Fund

The 2023 budget request includes \$13 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 2023 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 2023 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. 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.

Minor Construction Funding for NCA Programs					
(\$s thousands)					
	2021 Actual	2022 Request	2022 Estimate	2023 Request	Change 2023 v 2022
Cemetery Expansion and Improvement.....	\$32,085	\$52,187	\$52,187	\$101,978	+\$49,791
Land Acquisition/Below Threshold/Contingency.....	\$48,082 ¹	\$54,803	\$54,803	\$55,287	+\$484
Total for Minor Projects	\$80,167	\$106,990	\$106,990	\$157,265	+\$50,275

¹Amount 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. In 2023, NCA is requesting the total estimated cost for 91% of all new start projects in the Minor Construction account. This will allow NCA the option to utilize design/build acquisition strategies that require full funding at the time of the initial award.

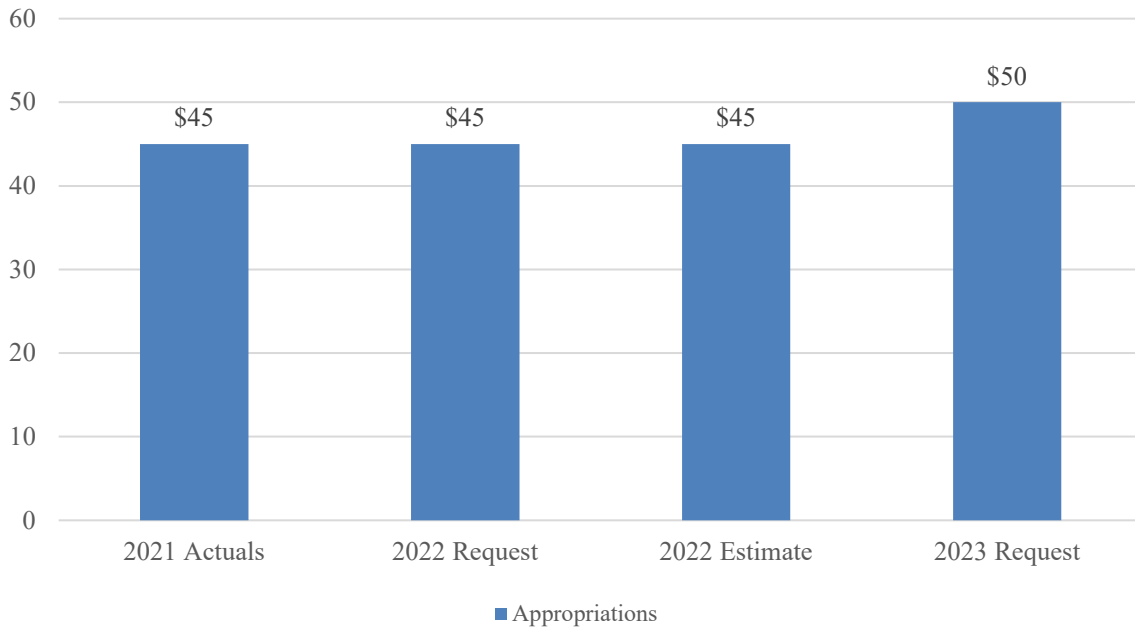
Land Acquisition/Below Threshold/Contingency

The 2023 Minor Construction request includes \$55.3 million for land acquisition, below threshold projects and contingency. 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

Budget Authority ((\$s 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, \$50,000,000, to remain available until expended.

Program Description

Grants are provided to state, county and tribal organizations for the establishment, expansion, improvement or operations and maintenance of Veterans cemeteries. State, county and tribal Veterans cemeteries assist the National Cemetery Administration (NCA) strategy of meeting the burial needs of Veterans and their families.

NCA is committed to providing access to first interment burial options (for casketed 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 to 95% of Veterans. Increasing and maintaining 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 for a state, county or tribal Veterans cemetery, the organization must submit a preapplication via [Grants.gov](https://www.grants.gov). All conforming grant preapplications that are received by the Veterans Cemetery Grants Program (VCGP) no later than July 1st are prioritized and considered for grant opportunities for the upcoming fiscal year subject to availability of funds. Conforming applications are those that meet all requirements in the governing regulation (38 CFR part 39) which includes the applicant's assurance that it has the legal authority to apply for a grant and the resources to fund initial architectural and engineering portions of project development. VCGP prioritizes the preapplications as follows:

- 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 include 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 to raise, realign and clean headstones and markers, and repair sunken graves are also included in this group.

The VCGP Director approves the prioritized list of projects and posts the list on NCA's webpage on October 1st of the fiscal year in which grants are expected to be awarded. The VCGP director also notifies the state and tribal organizations that receive grant opportunities via UPS mailing.

As a condition of a grant, state, county and tribal cemeteries are required to meet the same national shrine standards and measures as VA national cemeteries. To help VA grant-funded cemeteries meet minimum operational standards and measures, NCA allows grantee cemetery employees to attend, as space permits, training that NCA provides its own national cemetery employees. Although NCA provides courses tuition-free, some grantees lack the fiscal resources to send personnel to NCA training. Section 2208 of Public Law 116-315, The Veterans Health Care and Benefits Improvement Act of 2020, authorized VA to expand the use of VCGP funds to include training costs for state and tribal cemetery personnel to participate in training provided by NCA. Funding for establishment, expansion, improvement and operations and maintenance grants may be utilized, solely or in part, for these training purposes. Authorized training costs include travel expenses and up to four weeks of lodging expenses associated with the attendance of State or tribal organization employee at NCA trainings.

Program Highlights

Since 1980, the VCGP has awarded grants totaling over \$959 million that were used to establish, expand, improve, or operate and maintain 119 Veterans cemeteries in 48 states, territories (including Guam, Saipan and Puerto Rico) and tribal lands.

In 2021, the program opened two new state cemeteries: the Southeast Idaho Veterans Cemetery in Blackfoot, ID and the South Dakota State Veterans Cemetery in Sioux Falls, SD. These two new

cemeteries provide a burial option to almost 57,000 unserved Veterans and their eligible family members.

NCA expects to continue the success of the program in 2022 by funding 12 grants for expansion, improvement or establishment of state and tribal Veterans cemeteries. In 2022, VCGP cemeteries will bury an estimated 40,000 Veterans and eligible family members which is approximately 23% of the total annual interments in national, state and tribal cemeteries.

Appropriation Highlights					
(\$s thousands)					
	2021	2022	2022	2023	Increase (+)
	Actuals	Request	Estimate	Request	Decrease (-)
Obligations.....	\$51,998	\$49,000	\$45,590	\$54,000	+\$8,410
Unobligated balances:					
Start of year (-).....	-6,898	-4,704	-2,766	-4,114	-1,348
Prior Year Recoveries	-2,868	0	-1,938	0	+1,938
End of year	2,766	704	4,114	114	-4,000
Budget authority ^{1/} (appropriation)	\$45,000	\$45,000	\$45,000	\$50,000	+\$5,000

¹ Veteran Cemetery Grants FY22 enacted amount of \$48.5 million

Summary of Budget Request

In 2023, NCA requests \$50 million to fund grants to state, county and tribal organizations for the establishment, expansion, improvement or operations and maintenance of Veterans cemeteries. NCA requests an increase of \$5 million above the 2022 President’s Budget request for the Grant program to provide additional grants to state, county and tribal organizations in support of increasing burial access as well as maintaining access in mature cemeteries with expansion grants.

The VCGP has played a significant role in achieving NCA’s strategic target of providing 95% of Veterans with reasonable access to a burial option by assisting States and tribes in establishing Veteran's cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In addition, the Grant program is a cost-effective alternative to VA construction and recurring operating expenses.

The 2022 Grants Priority List has 43 conforming projects totaling over \$110 million in grant opportunities. Of this list, 10 grant requests are for establishment projects (i.e., potential new cemeteries) totaling \$36 million in grant opportunities. While not all establishment projects will significantly impact increasing Veteran access (for instance, tribal cemeteries do not increase access due to tribal burial eligibility requirements), 3 of the 10 establishment grants on the current priority list will provide new access to over 21,000 Veterans.

In a June 2021 report, the VA Office of Inspector General (OIG) stated, “Increased funding would support projects not only to improve cemetery appearance, but also to expand and create new cemeteries.” These grants help NCA meet its strategic goal of providing 95% of Veterans a burial option within 75 miles of their residence. OIG recommended that NCA continue to seek an increase in cemetery grant funding in excess of \$45 million. NCA concurred in principle with this

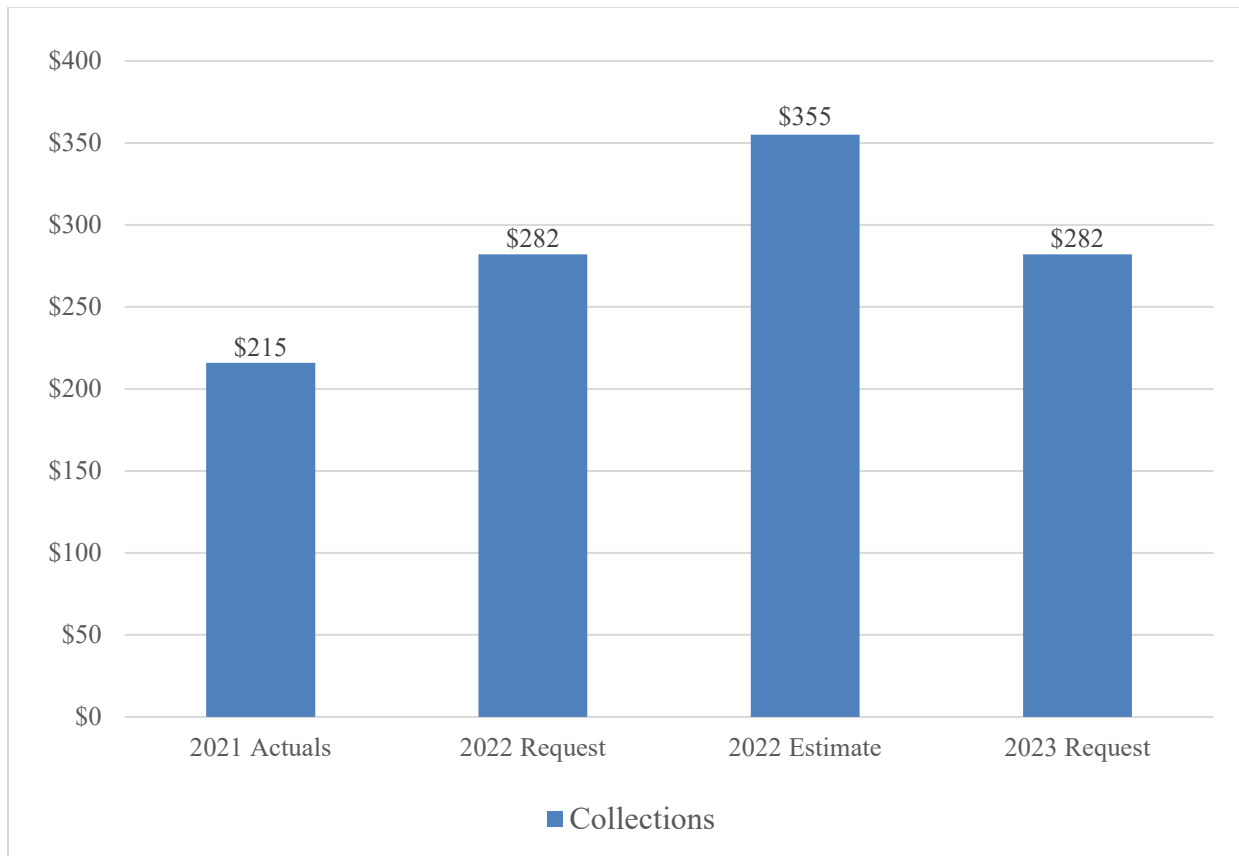
recommendation and will continue to seek federal funds to adequately address the Grant program through the federal budget process.

Total Obligations by State			
AK	\$3,158,277	MT	\$12,435,439
AL	\$7,663,582	NC	\$19,554,689
AR	\$30,880,430	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	\$36,422,571
GA	\$16,584,850	OH	\$798,987
GU	\$9,266,873	OK	\$9,157,158
HI	\$48,873,000	PA	\$23,223
IA	\$9,750,374	PR	\$7,135,050
ID	\$18,051,617	RI	\$11,836,070
IL	\$1,565,325	SC	\$8,271,565
IN	\$6,105,439	SD	\$24,220,468
KS	\$20,913,766	TN	\$31,416,656
KY	\$39,951,018	TX	\$55,080,030
LA	\$40,787,820	UT	\$9,639,479
MA	\$21,025,004	VA	\$37,832,661
MD	\$60,214,187	VT	\$6,554,699
ME	\$21,992,174	WA	\$14,440,485
MN	\$38,879,775	WI	\$30,196,780
MO	\$33,832,317	WV	\$14,118,456
MP	\$5,260,988	WY	\$5,806,255
MS	\$17,260,300	Total	\$959,968,783



National Cemetery Administration Facilities Operation Fund

Budget Authority ((\$s 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.

Fund Highlights				
(\$s thousands)				
	2021	2022	2022	2023
	Actuals	Request	Estimate	Request
Obligations	\$750	\$497	\$400	\$360
Unobligated balances:				
Start of Year (-)	-1,027	-663	-493	-448
Prior Year Recoveries (-) ...	0	0	0	0
End of Year	493	448	448	370
Budget Authority				
(from collections)	\$215	\$282	\$355	\$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 (NCA). No appropriation action from Congress is required.

Program Activity

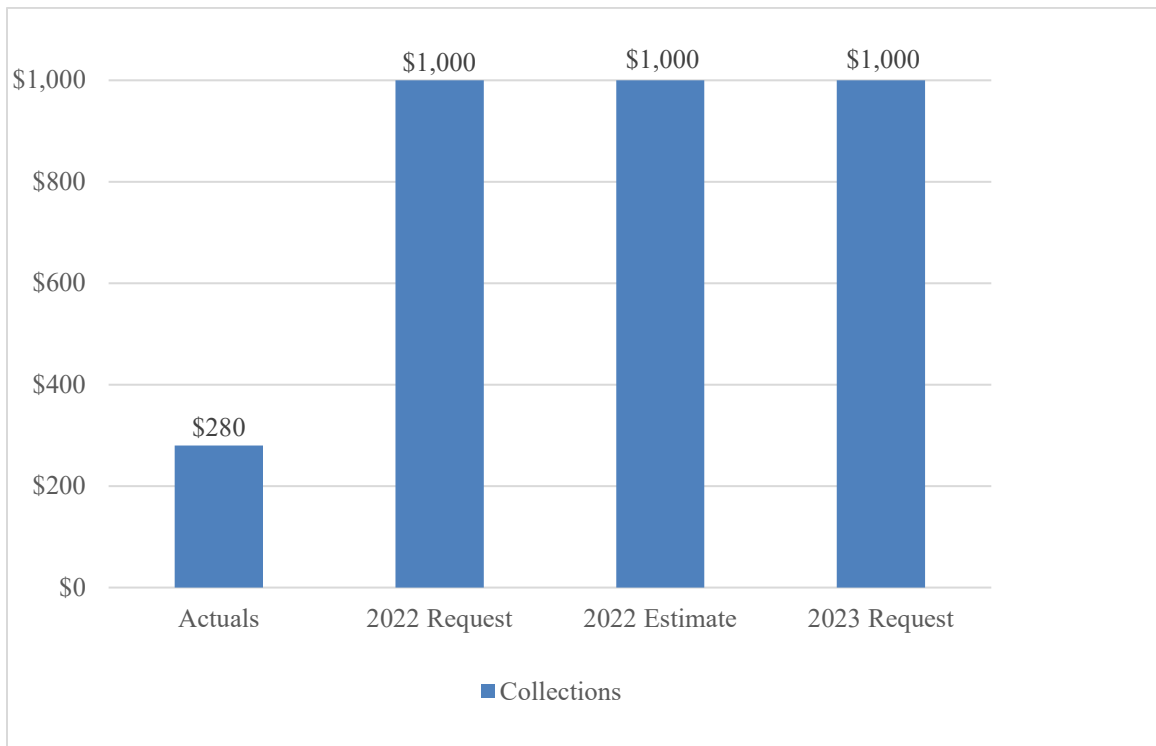
Obligations are estimated to be \$400,000 in 2022 and \$360,000 in 2023, which is approximately 80% of the preceding fiscal year end-of-year balance.

The Facilities Operation Fund became operational in March 2005. NCA uses this fund to cover a portion of costs incurred in the operation and maintenance of its properties. In 2022 and 2023, 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.



National Cemetery Gift Fund

Budget Authority ((\$s 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.

Fund Highlights				
(\$s thousands)				
	2021	2022	2022	2023
	Actuals	Request	Estimate	Request
Obligations.....	\$226	\$1,000	\$1,000	\$1,000
Unobligated balances:				
Start of year (-).....	-1,287	-1,349	-1,340	-1,340
Prior Year Recoveries(-).	0	0	0	0
End of year	1,340	1,349	1,340	1,340
Budget authority (appropriation).....	\$280	\$1,000	\$1,000	\$1,000

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 2023. 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.



Veterans Benefits Administration

Part 2

Executive Summary	47
Disability Compensation.....	67
Pension & Fiduciary	87
Education	97
Housing.....	113
Veteran Readiness and Employment	125
Insurance.....	139
Outreach, Transition & Economic Development.....	149

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General Operating Expenses, Veterans Benefits Administration Executive Summary

Mission Statement

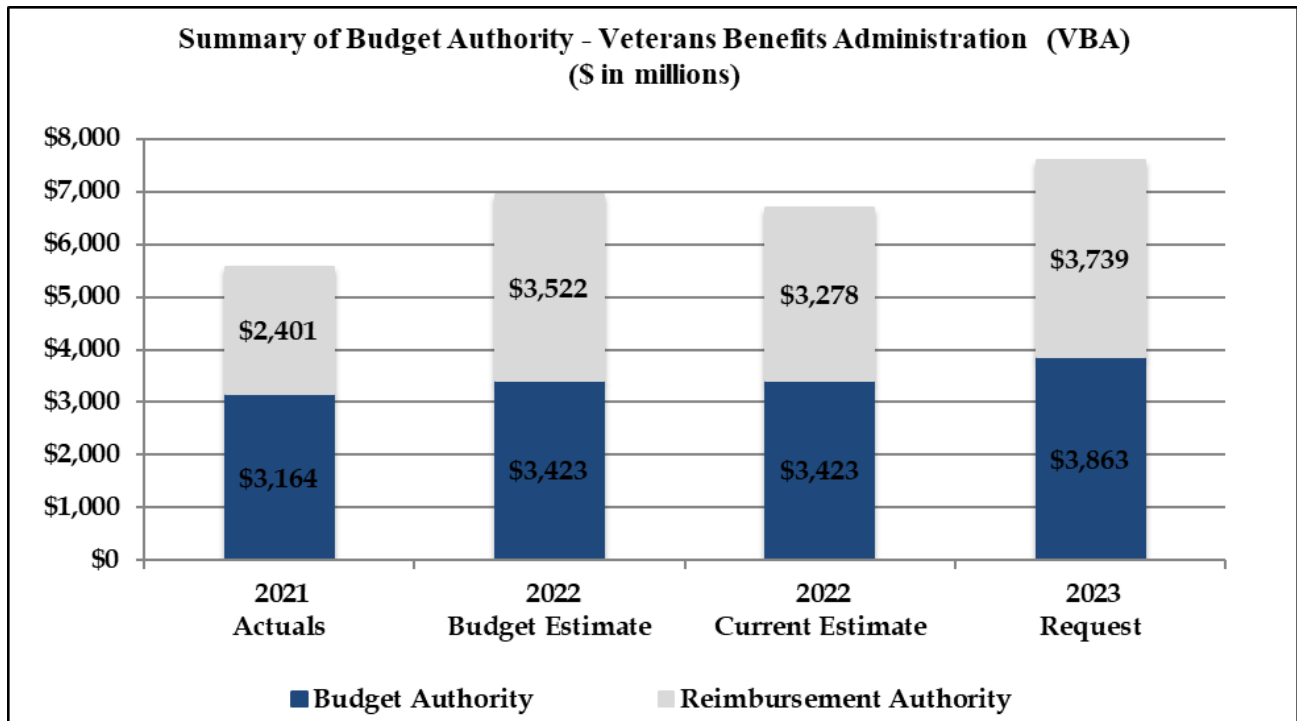
To provide benefits and services to Veterans, their families and survivors in a responsive, timely and compassionate manner in recognition of their service to the Nation.

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.”

2023 Budget Authority Request: \$3.9 billion

Change over 2022 Current Estimate: + \$440.0 million / + 12.9%



Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President’s Budget request for discretionary appropriation.

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, \$3,863,000,000: 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, 2024.

Summary of Budget Request

VBA's 2023 request of \$7.6 billion provides Veterans, their dependents and survivors a variety of benefits and services. This includes \$3.9 billion in discretionary General Operating Expenses (GOE) budget authority and \$3.7 billion in reimbursements from other VA appropriations. This request delivers \$160 billion in benefits and services to Veterans and other beneficiaries, at an operating cost of about five cents for every dollar of benefits delivered.

The following table summarizes VBA’s total 2023 discretionary budget request, and subsequent sections provide an overview for each of the seven lines of business.

Total VBA Summary					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2021	2022		2023	2023 - 2022
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct	22,380	22,871	22,812	23,962	1,150
Management Direction and Support	2,259	2,432	2,480	2,519	39
Total FTE	24,639	25,303	25,292	26,481	1,189
Obligations					
Personal Services (without overtime)	\$2,716,773	\$2,882,005	\$2,901,893	\$3,099,999	\$198,105
Overtime	\$8,562	\$46,059	\$46,059	\$46,065	\$5
Travel	\$5,997	\$37,059	\$37,029	\$37,798	\$769
Interagency Motor Pool	\$0	\$6,120	\$6,119	\$6,242	\$122
Transportation of Things	\$2,321	\$1,753	\$1,753	\$1,788	\$35
Rent, Communications & Utilities	\$152,567	\$188,035	\$187,988	\$191,757	\$3,769
Printing	\$3,744	\$3,075	\$3,075	\$3,134	\$60
Other Services	\$2,700,561	\$3,745,422	\$3,501,771	\$4,179,127	\$677,355
Supplies and Materials	\$4,529	\$8,521	\$8,521	\$8,691	\$170
Equipment	\$9,723	\$25,354	\$25,354	\$25,855	\$501
Insurance Claims	\$988	\$1,171	\$1,171	\$1,194	\$23
Total Administrative Obligations	\$5,605,765	\$6,944,574	\$6,720,734	\$7,601,649	\$880,915
Reimbursements	-\$2,401,423	-\$3,521,574	-\$3,277,734	-\$3,738,649	-\$460,915
Unobligated Balance Brought Forward	-\$87,822	\$0	-\$20,000	\$0	\$20,000
GOE Carry Over	-\$87,770	\$0	-\$20,000	\$0	\$20,000
Recycling	-\$52	\$0	\$0	\$0	\$0
Unobligated Balance, End of Year	\$20,052	\$0	\$0	\$0	\$0
GOE Carry Over	\$20,000	\$0	\$0	\$0	\$0
Recycling	\$52	\$0	\$0	\$0	\$0
Unobligated Bal Expiring	\$27,429	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0	\$0
Net Appropriation	\$3,164,000	\$3,423,000	\$3,423,000	\$3,863,000	\$440,000
Rescission	\$16,000	\$0	\$0	\$0	\$0
Total Appropriation	\$3,180,000	\$3,423,000	\$3,423,000	\$3,863,000	\$440,000
Outlays (net)	\$3,034,908	\$3,237,746	\$4,264,269	\$3,988,192	-\$276,077

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

Net Changes

The following table displays the net change from the 2022 President’s Budget Request to the 2023 President’s Budget Request.

General Operating Expenses, Veterans Benefits Administration
2023 Summary of Resource Requirements
(\$000)

	Appropriation	FTE
2022 President's Budget	\$3,423,000	25,303
2023 Current Services Increases		
Non-Pay Inflation (2%)	\$37,828	
Payraise (4.6%)	\$65,158	
Benefits	\$26,067	
Subtotal	\$129,053	0
% Change	3.77%	
2023 Total Current Services	\$3,552,053	25,303
2023 Additional Investments		
New Presumptives for Rhinitis, Sinusitis, and Asthma:		
FTE	\$92,473	795
Non-Pay Requirements	\$18,957	
Total	\$111,430	795
Veteran Transitional Assistance Grant Program:		
FTE	\$707	4
Non-Pay Requirements	\$100	
Grants	\$500	
Total	\$1,307	4
Benefits Delivery:		
C&P Claim Modernization	\$120,000	
Pension Optimization Initiative	\$34,700	
Disability Employment Pilot Program	\$3,600	
Clean Energy Veterans Job Training Program	\$2,500	
Total Additional Investments	\$160,800	0
Operational Increases		
FTE ¹	\$37,410	379
Overtime	\$0	
Total Operational Increases	\$37,410	379
2023 Total Request	\$3,863,000	26,481

¹ Cost of 60 FTE is reimbursed from Credit Reform appropriation

VBA is requesting an overall increase of \$880.9 million (13.1%) in direct and reimbursable administrative obligations and 1,189 full-time equivalents (FTEs) over the 2022 current estimate to support the following investments. The 2023 budget also reflects a 4.6% pay increase and 2.0% increase for non-pay inflation.

- **Environmental Exposure (\$111.4 million and 795 FTE):** Provides improved benefits for Veterans exposed to toxic substances. This includes resources for increased environmental exposure workload for the following respiratory conditions: rhinitis, sinusitis and asthma. The VA Secretary approved the establishment of these three new presumptive respiratory conditions based on military service in Southwest Asia due to airborne hazard exposures. The establishment was recommended by the National Academies of Science, Engineering and Medicine (NASEM) Task Force in accordance with VA Directive 0215, Management of Reports Issued by the NASEM.
- **Disability Compensation and Pension (C&P) Claims Modernization (\$120.0 million):** The investment will automate components of the C&P claims process from submission to decision. VBA expects the number of claims for disability benefits to significantly outpace the ability to complete them without fundamental changes to the underlying process. This effort will focus on gaining efficiencies through a suite of automation capabilities. C&P Claims Modernization will increase VA's capability to deliver fast, accurate and consistent claim decisions for Veterans. This initiative will maximize automated tasks, allowing employees to focus on key decision-making functions such as claims authorization. In December 2021, VBA launched the initial pilot at the Boise Regional Office, focused on single-issue, supplemental claims for increase in hypertension. Additional stations, as well as types of conditions and claims, will be added as the initiative expands.
- **Pension Optimization Initiative (POI) (\$34.7 million):** VBA will expand upon current pension automation efforts to reduce processing/wait times from months to weeks or days. This effort focuses primarily on original pension claims and maintenance of running pension awards. The projected optimization of 75% of the pension workload will enable the reallocation of up to 600 FTE in the future to areas where they are more urgently needed.
- **Veteran Transitional Assistance Grant Program (VTAGP) (\$1.3 million and four FTE):** These resources will be used to implement the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315, Section 4304). VBA will make grants to eligible organizations to provide transition assistance to members of the Armed Forces who are separated, retired or discharged and spouses of such members.
- **VA Disability Employment Pilot Project (\$3.6 million):** VBA will implement an innovative pilot program aimed at providing employment opportunities for Veterans and Service members with service-connected disabilities. This budget request includes funding to develop and conduct a pilot to 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 (DoD), Department of Labor (DOL) and volunteer Veteran pilot participants.

- **Clean Energy Job Training (\$2.5 million):** This initiative supports DOL in developing a clean energy job training program for eligible Veterans, transitioning Service members and military spouses. This program includes training in solar, wind, thermal and other fields that specialize in clean alternatives to fossil fuels.
- **FTE Optimization to Support Mission Critical Activities (\$37.4 million and 379 FTE):** This request right-sizes VBA based on operational requirements to include:
 - 319 FTE to support growing demands and increased scope of claims while sustaining disability claims inventory and production levels. This includes FTE for claims processing functions in the field based on projected workload analysis.
 - 60 FTE funded via offsetting collections to support Loan Guaranty (LGY) as they continue to develop technology enhancements to evaluate credit risk and expand capabilities for robust data analytics. These advancements require additional staff to analyze the comprehensive program information and robust data. (Credit Administration reimbursement-funded).

Supplemental Funding Summary

The Coronavirus Aid Relief and Economic Security (CARES) Act (P.L. 116-136); the Consolidated Appropriations Act, 2021 (P.L. 116-260); and the American Rescue Plan (ARP) Act (P.L. 117-2), provided supplemental funding for 2021 to address issues arising as a result of the ongoing pandemic. VBA received a total of \$351 million in CARES Act funding for 2020 and 2021 and obligated 98.8% (\$346.8 million) by the end of 2021.

In 2020 VBA received \$13 million in CARES Act funding which enabled VBA to quickly respond to the pandemic, keeping employees safe while continuing support and services to Veterans and their families. VBA acquired bulk supplies of personal protective equipment and supplies for essential employees required to report in-office during the pandemic. This funding was also utilized for the deep cleaning and sanitization of offices and to support the expansion of telework capabilities across the workforce.

In 2021 a total of \$338 million was transferred from VHA Medical Services, as provided by the Consolidated Appropriations Act 2021 (P.L. 116-260) which expired at the end of 2021. This funding was used for overtime for processing claims, the Digital GI Bill and to jump start implementation of an aggressive digitization plan. As a result of the pandemic the claims backlog reached an apex of over 221,000 claims. By the end of 2021, VBA was able to utilize overtime to reduce the number of disability claims pending more than 125 days to less than 207,000. This transferred funding was also used to improve the Digital GI Bill modernization, which is targeting automation improvements and increases for claims processing in line with VBA and VA objectives. Since launching the Digital GI Bill, the CARES Act funding assisted with automation for Post-9/11 GI Bill claims which has increased from 16% to 54%. Improvements have also been made to claimant letters, debt processing under new legislation and identifying redundancies and inefficiencies that impact automation efforts. This funding also facilitated the initiation of an aggressive plan to proactively digitize more than 15 million personnel records at the National Personnel Records Center (NPRC) and the National Archives and Records Administration

(NARA) to reduce external dependencies for Federal records needed to process claims. Funding enabled major acquisitions to support this plan and to support the efficiency and update of automation to improve and expedite the processing of claims, the reduction of the backlog and the avoidance of further backlog growth.

ARP and the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43, the 2022 Continuing Resolution to December 3, 2021), also augmented VBA’s budget for 2022. ARP provided \$262 million for claims processing, available until 2023. VBA plans to obligate \$183.7 million of the available funding in 2022 with the remaining \$78.3 million being executed in 2023. P.L. 117-43, Section 151, authorized the transfer of up to \$178 million from VHA. VBA received these funds to implement the interim final rule “Presumptive Service Connection for Respiratory Conditions Due to Exposure to Particulate Matter.” This rule established presumptive service-connection for asthma, rhinitis and sinusitis.

Supplementals and Transfers			
Summary of Discretionary Funding			
(\$ in thousands)			
Obligations	2021 Actuals	2022 Authority	2023 Authority
VHA CARES Act Transfer for Digital GI Bill	\$194,943	-	-
VHA CARES Act Transfer for Overtime	\$140,000	-	-
ARP for Claims Processing	-	\$183,675	\$78,325
VHA Transfer (P.L. 117-43)	-	\$178,000	-
Totals	\$334,943	\$361,675	\$78,325

VBA Overview and Priorities

VBA will continue to fund mission-critical agency operations in 2023, while also advancing automation and other modernization efforts, to deliver benefits and services in a timely manner and with high quality to Veterans, Service members, their families and survivors. The following three organizational priorities drive the 2023 budget request:

VBA Three Priorities



Provide Veterans with the benefits they have earned in a manner that honors their service



Ensure we are strong fiscal stewards of the money entrusted to us



Foster a culture of collaboration

VBA's 2023 budget is focused on two strategic and overarching themes: Benefits Delivery and Service Connection for Environmental Exposure. The requested investments and operational increases in 2023 are intended to comply with the law, reduce risk and deliver on the expectations of Veterans and other stakeholders.

Evidence-Based Activities

VBA continues to ensure decisions are being made using the strongest available evidence in accordance with the Foundations for Evidence-Based Policymaking Act of 2018 (P.L. 115-435). VBA initiated and provided opportunities to increase and validate organizational knowledge of evidence-based policymaking (EBP) during 2021. VBA created a series of courses aimed at assisting employees with developing a common understanding of EBP and related processes. VBA also developed and deployed a process and associated training for evaluating strength of evidence in resource requests. VBA continues to identify and implement opportunities to develop evidence in support of effective policymaking and decision making. Notable efforts include:

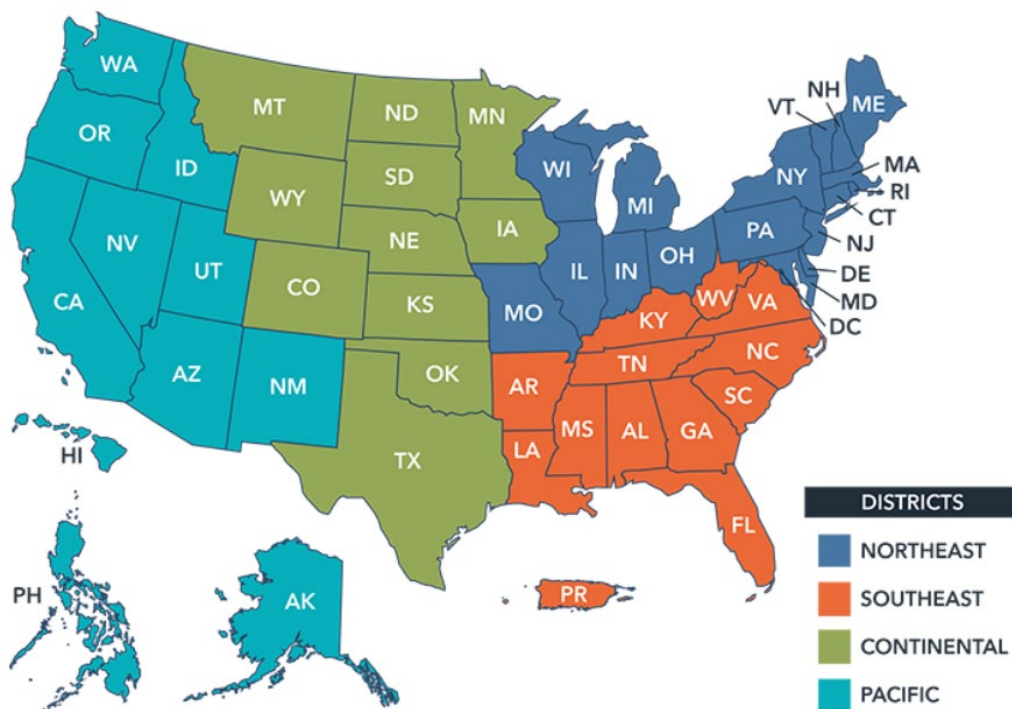
- **Earnings Loss Study (ELS)** - Incorporates economic, data driven measurements, based on data from the Census Bureau and Social Security Administration, on aggregate actual loss in earning capacity for Veterans with various types and combinations of conditions, along with medical and scientific data to update VA Schedule for Rating Disabilities (VASRD). The ELS program has made notable progress since its inception by identifying over 100 individual diagnostic codes during 2021 that are directly related to clinical and economic conditions affecting Veterans. Most importantly the estimates improved dramatically to include administrative earnings data. The program continues to refine the statistical models and data to include other factors that affect Veteran earnings directly associated with service-connected disabilities. The 2022 and 2023 investment will expand the models used to include interactions of multiple disabling conditions and mitigating factors, such as receipt of Social Security Disability Insurance while collaboratively working with the Social Security Administration and Census Bureau. The modeling effort will also explore the use of clinical data to provide a more comprehensive picture of the disabling conditions affecting Veterans. The ELS team will continue to produce additional data results annually to include new diagnostic codes not covered previously and refined estimates for previous diagnostic codes.
- **Modern Claims Processing** - Maps medical data from VHA and DoD to VASRD criteria to support decision-making and enable future claims automation.
- **VR&E Longitudinal Study** - Determines the long-term post-program outcomes associated with Veterans who began VR&E programs in 2010, 2012 and 2014. The study design allows for comparison across the three cohorts.
- **Education Outcome Measures** - Measures data on how benefits are used to support policies and procedures that promote beneficiary retention and graduation.
- **Post-Separation TAP Assessment (PSTAP) Outcome Study** - Instituted to learn what drives Veteran satisfaction as well as their long-term outcomes across a host of life domains.

Rare Respiratory Cancers

VA announced its intention to propose adding several rare respiratory cancers to the list of presumed service-connected disabilities in March 2022. VA determined through a focused review of scientific and medical evidence that there is biologic plausibility between airborne hazards, specifically particulate matter, and carcinogenesis of the respiratory tract. Based on these findings, the Secretary is proposing a rule that will add presumptive service connection for several rare respiratory cancers for certain Veterans. VA will provide updated budgetary impacts as they become available.

Program Descriptions

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



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

The following table displays total administrative obligations for VBA by lines of business.

Administrative Obligations (dollars in thousands)	2021 Actuals	2022 Budget Estimate	2022 Current Estimate	2023 Request
Disability Compensation	\$4,392,992	\$5,574,136	\$5,347,997	\$6,159,736
Pension, Dependency and Indemnity Compensation, Burial and Fiduciary Programs	\$358,553	\$372,555	\$372,555	\$396,539
Education	\$254,590	\$345,677	\$345,677	\$352,435
Housing	\$177,700	\$201,110	\$201,110	\$213,847
Veteran Readiness and Employment	\$278,057	\$288,237	\$288,237	\$295,963
Outreach, Transition and Economic Development	\$111,318	\$120,537	\$120,537	\$136,709
Insurance	\$32,555	\$42,322	\$44,621	\$46,420
*Total Obligations	\$5,605,765	\$6,944,574	\$6,720,734	\$7,601,649

*Total Obligations include Budget Authority and Reimbursements

Notable 2021 Accomplishments by Business Line

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 5.2 million Veterans in 2021 and completed 1.4 million disability compensation rating claims in 2021, processing over a million rating claims per year since 2014.

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 VBA's most vulnerable beneficiaries who, because of disease, injury or infirmities of advanced age, are unable to manage their finances. VBA served over 351,000 Veterans and survivors receiving Pension totaling more than \$4 billion, over 453,000 survivors receiving DIC benefits totaling \$8 billion and more than 129,000 Fiduciary beneficiaries in 2021.

Education

The Education Service administers six education benefits programs that provided approximately \$11 billion in benefits for 841,000 beneficiaries in 2021. 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 14.8 days with 98% accuracy. VBA has provided nearly \$108 billion in Post-9/11 GI Bill benefits to Veterans and dependents since

the program began in 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 Specially Adapted Housing (SAH) grants for certain severely disabled Service members and Veterans so they can adapt or acquire suitable housing. The Home Loan Guaranty (LGY) Program saved over 203,000 Veterans and their families from foreclosure and guaranteed over 1.4 million loans in 2021, a record number for the program.

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 supported over 125,000 Veterans in 2021. VR&E continues to champion student Veterans through the VetSuccess on Campus (VSOC) program, which places counselors on 104 college campuses to assist nearly 86,000 student Veterans. VSOC Counselors responded to 68,208 issues or follow-ups from over 23,000 student Service members, Veterans and dependents in 2021.

Outreach, Transition and Economic Development (OTED)

OTED maintains oversight and management of the Military-to-Civilian Transition Services, as well as the development of economic initiatives that focus on empowering Veterans to achieve maximum economic well-being. This includes overseeing the VA Solid Start (VASS) efforts, providing early and consistent contact with recently separated Service members at three key stages (around 90, 180 and 365 days post-separation) during their first year of transition to civilian life. VASS successfully connected with 149,498 individuals achieving a successful contact rate of 58% in 2021, exceeding the goal of 40%. OTED is responsible for all VBA outreach and maintains National, State and local partnerships that engage specific Veteran populations, such as minority, women, elderly, homeless, Former Prisoner of War (FPOW), rural, faith-based, Native American and incarcerated Veterans.

Insurance

The Insurance Service oversees life insurance programs that provide financial security and peace of mind for Veterans, Service members and their families by providing more than \$1.2 trillion in coverage. VBA paid over \$1.2 billion in mandatory obligations in 2021, including over 106,000 disbursements to insured and beneficiaries in an average of 2.8 days at 98% accuracy.

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, culminating in the appeals modernization project, which 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 at certain points in the legacy appeal process. VBA's goal is to complete supplemental claims and higher-level reviews in an average

of 125 days. OAR continues to review data, identify potential risks and model multiple scenarios to allocate resources. VBA has reduced inventory of pending legacy appeals by 88%, down to fewer than 32,000. Higher-level reviews are completed in an average of 87 days. VBA continues to target further reduction of the legacy remand inventory.

Medical Disability Examination Office (MDEO)

The mission of MDEO is to support VA's disability claims process by administering VBA's contract medical disability examination program worldwide to ensure Veterans receive timely and high-quality examinations. MDEO continues to maximize examinations completed by contract examination vendors to serve Veterans faster, especially in remote locations and overseas. MDEO completed 1.7 million exam service requests (ESR) in 2021, a 56% increase over 2020.

Chief Production Office (CPO)

The CPO works collaboratively across VBA 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 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.

The Office of Information and Technology (OIT)

Improved the Service Level Agreement to timely repair all newly identified VBMS production defects in 2021. By resolving critical defects on average in less than 15 days. Ninety-nine user-driven system optimizations were implemented in 2021, an increase of 219.4% compared to 2020. Through this effective continuous improvement process, optimization requests are received and assessed daily. Over 50 additional optimizations are currently awaiting system development and delivery with OIT. Over 1,000 user-driven production optimizations were 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.

Significant enhancements were accomplished in 2021 to streamline evidence-gathering and improve development action tracking in VBMS. The Interactive Development Assist (IDA) functionality increases Ready-for-Decision claims and reduces development errors and missed exams. Enhancements in the National Work Queue (NWQ) now support flexible workload and data management. The 2021 Disability Benefits Questionnaire (DBQ) modernization increases efficiency in the process for VBA decision-makers to facilitate accurate and timely disability claims decisions. This DBQ initiative is a multi-year effort that coincides with VASRD modernization and claims processing automation. Collaborating with OIT ensures high quality, near defect-free functionality is delivered and there is timely repair when bugs are encountered.

CPO will utilize a human-centered design approach to further enhance the VBMS Rating application in 2022. This will incorporate an interactive, just-in-time knowledge assist that uses business logic for specific claims to reduce recurring errors and rework. In addition, system enhancements will include the deployment of a system supported draft rating approval process.

Highlights and Program Successes

The successes noted below were achieved in 2021 and are related to funded investments and operational increases. These achievements are aligned to Agency priorities and goals.

Gulf War Presumptive Conditions

On August 5, 2021, VBA published an interim final rule establishing the new presumptive respiratory conditions of chronic asthma, sinusitis and rhinitis associated with exposure to fine, particulate matter. VBA expects to receive approximately 352,000 claims in 2022. In 2021, VBA received 12,385 claims; completed 2,504 claims; and granted 1,497 awards (59.8% of completed claims), providing more than \$6.1 million retroactive benefit payments.

Blue Water Navy

Compensation Service received more than 194,000 BWN claims through 2021 and completed more than 63,000. VBA granted more than 41,000 awards (64.8% of completed claims). Under the BWN program, VBA has provided more than \$968 million in retroactive benefits to Veterans or their surviving spouses. Veterans who file claims specific to disabilities related to Agent Orange exposure while serving in Vietnam may also qualify for an earlier effective date. To help staff navigate these changes, VBA created eight new e-learning courses that provide overviews, standard operating procedures and step-by-step instructions on how to apply an earlier effective date. More than 2,100 new and existing employees have completed the training.

Education Programs

VA completed implementation of the Harry W. Colmery Veterans Educational Assistance Act of 2017 (P.L. 115-48), also known as the “Forever GI Bill” Section 107, in 2021, Section 107 changed the calculation of monthly housing payments for student Veterans. Education Service worked with schools to complete over 5,700 payments to make students whole. This resulted in payment of over \$9 million in retroactive, location-based monthly housing allowance. This was accomplished by delivering targeted communications, hosting trainings and conducting direct outreach initiatives, which reached over 600,000 GI Bill students and 53,000 School Certifying Officials across over 100 campaigns and events. VA worked with Congress and partners to extend and protect beneficiary education benefits in response to COVID-19. VA launched the Veteran Employment Through Technology Education Courses (VET TEC) Employer Consortium with 11 high-tech companies providing VET TEC students with employment, mentoring and networking opportunities. VA also successfully launched the Veteran Rapid Retraining Assistance Program (VRRAP) established by the American Rescue Plan Act (P.L. 117-2) to support Veterans affected by the COVID-19 pandemic.

Outreach, Transition and Economic Development

OTED conducted 6,789 outreach events in 2021. OTED also conducted virtual Economic Development Initiatives (EDIs) in six locations: San Antonio, Texas; Puget Sound, Washington; Phoenix, Arizona; Jacksonville, North Carolina; San Juan, Puerto Rico; and Baltimore, Maryland. OTED hosts EDI events to connect large Veteran populations in economically distressed communities with networking opportunities to improve their economic wellbeing. OTED has connected EDI attendees to over 1,000 meaningful job opportunities, along with other critical benefits and services. OTED made 149,498 successful VA Solid Start contacts in 2021.

Overview of VBA Workload

Disability Compensation

VBA has increased claims production through process optimization and automation to help keep pace with increases in claims receipts. The following table provides a summary of workload projections:

Projected Compensation Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Compensation Direct Labor FTE	15,505	15,748	15,453	16,662
Rating Receipts Compensation Claims	1,454,097	1,531,870	1,661,631	1,809,361
Rating Production Compensation Claims	1,337,075	1,399,049	1,572,924	1,637,125
Year-end Inventory Compensation Claims	449,906	586,089	674,796	847,032

One quarter of the total Veteran 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, SAH, and requests for eligibility certifications for determining entitlement to other VA programs and program reviews.

The Disability Compensation Program spent approximately \$47 million on overtime in 2021 and expects to spend approximately \$66 million in 2022 to address COVID-19 related backlog claims. VBA predicts non-original, supplemental, Blue Water Navy (BWN) and other Agent Orange claims will continue to drive an increase in inventory.

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. Refer to the Disability Compensation chapter in Part 2 of Volume III for detailed descriptions of the new categories.

Pension, Dependency and Indemnity Compensation, Burial and Fiduciary Programs

VBA currently processes 89% of Pension Rating Claims within 125 days, with a National Claim-Based Quality for Pension of 96%. VBA began automated claims processing with Pension Automation in May 2020 for more complicated burial, DIC and pension claims. Notably, this automation resulted in a reduction in Burial inventory from 37,000 in 2020 to 4,300 at the end of 2021. In 2021, VBA completed approximately 4,900 extra decisions from the automation program each month.

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.”

Projected Pension and DIC Claims Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Pension, DIC, & Burial Direct Labor FTE	1,018	974	1,191	1,008
Total Receipts	124,661	121,913	117,607	120,839
Pension Claims	66,562	57,825	53,068	54,664
DIC Claims	58,099	64,088	64,539	66,175
Total Production	124,905	123,881	98,457	106,915
Pension Claims	69,232	58,724	40,533	42,847
DIC Claims	55,673	65,157	57,924	64,068
Total Year-end Inventory	29,452	16,418	35,568	49,492
Pension Claims	15,115	6,317	18,852	30,669
DIC Claims	14,337	10,101	16,716	18,823

Specific to the Fiduciary Program, VBA is currently completing Initial Fiduciary Appointment Exams in 38 days on average and 99% of Follow-Up Field Exams within 175 days. VBA is surpassing established targets for both measures.

Education

In 2021, Education Service provided \$11 billion in timely and accurate education benefits to Veterans and processed 3.4 million education claims at an accuracy rate of 97.9%. VA predicts that in 2023 over 3.7 million claims will be processed. Original claims were processed on average in 14.8 days, and supplemental claims were processed in 6.1 days in 2021.

Education Service manages approximately 400,000 approved programs. This maximizes educational and training options available to GI Bill beneficiaries while ensuring approved programs meet federal and state standards and other applicable statutory requirements. The following table provides a summary of workload projections:

Projected Education Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Direct Labor FTE	1,899	1,724	1,803	1,803
Total Claims Completed	3,598,346	3,447,033	4,000,502	3,723,768
Change in Claims Completed (over previous year)	-1.37%	-4.21%	16.06%	-6.92%
Average Days to Complete Original Claims	16	15	24	24
Average Days to Complete Supplemental Claims	7	6	12	12
Compliance Reviews	2,388	2,467	3,500	3,500
Calls Processed at Call Center (Answered)	2,025,369	1,799,224	2,768,633	2,768,633

Housing

In 2021, VBA guaranteed over 1.4 million loans, a new record number for the program, exceeding the previous record set in 2020 by 12.5%. LGY has serviced more than 3.5 million loans since the

Federal Credit Reform Act, P.L. 101-508, was passed in 1990, 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:

Projected Housing Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Direct Labor FTE	780	768	918	978
Total Guaranteed Loan Volume	1,246,816	1,441,745	981,530	994,889
Total Purchase Loans	428,421	444,050	411,839	432,299
Total Refinance Loans	818,395	997,695	569,691	562,590
Total Loan Amount	\$375,356,714	\$447,192,002	\$305,292,783	\$314,708,978

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 transitioned to VA.gov in April 2021 to align with the Case Management Solution (CMS) pilot kickoff date. This new application system provides an eligibility wizard and an orientation express video to assist applicants. The following table provides a summary of workload projections:

Projected VR&E Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Direct Labor FTE	1,458	1,493	1,628	1,628
Actual Participants*	123,490	125,144	135,444	137,958
Increase in Actual Participants (over previous year)	1%	1%	1%	1%
Positive Outcomes	16,216	17,875	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.

**Estimates will not be available until later in 2022, after the performance target workgroup convenes in June.

VBA achieved almost 18,000 positive outcomes for 2021. This included over 10,000 Employment Rehabilitations. A “positive outcome” is defined as a Veteran who either achieves a rehabilitation plan goal, pursues higher education, obtains suitable employment or becomes employable.

Outreach, Transition and Economic Development

OTED administers the Transition Assistance Program (TAP) in collaboration with interagency partners, supporting over 250,000 transitioning Service members annually. OTED achieved 95.7% customer satisfaction for VA’s portion of TAP and processed 8,370 applications for Personalized Career Planning and Guidance (education and career counseling). VBA anticipates conducting more than 5,000 full-day mandatory briefings at more than 330 installations around the world utilizing the deployment of Virtual Instructor led briefings. Additionally, VBA developed and deployed curriculum within TAP emphasizing women’s health care through the Women’s Health Transition Training (WHTT). This training supplements mandatory TAP briefings and provides approximately 43,000 women Service members separating annually with in-depth information on gender-specific VA healthcare services. The following table provides a summary of workload projections:

Projected OTED Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Direct Labor FTE	27	180	162	226
Attendance at TAP Events*	318,000	326,914	415,000	450,000
Women's Health Transition Training	737	556	700	1,400
Personal Career Planned Guidance (Chapter 36) Cases	7,500	7,875	8,269	9,923
VA Solid Start Successful Contacts	91,859	149,498	200,000	240,000
Economic Development Initiatives*	500	345	500	1,000

*TAP and EDI event attendance was impacted by COVID-19 in 2020 and Installations/sites reopened in phases in 2021.

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. Insurance's workload trend is expected to shift in 2023 as the Service-Disabled Veterans Insurance (S-DVI) program closes effective December 31, 2022, and the Veterans Affairs Life Insurance (VALI) program begins January 1, 2023. Workload associated with the closed legacy insurance programs will continue to decline, while workload related to the new insurance program (VALI applications, calls, death claims and maintenance actions) will increase. The VALI program expands the pool of service-disabled Veterans eligible for coverage by eliminating the medical underwriting requirement and the two-year application window that exists under the S-DVI program. As a result, Insurance anticipates increased interest and potentially 250,000 applications related to the new program in 2023. The following table provides a summary of workload projections:

Insurance Workload and Direct FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Insurance Direct Labor FTE	269	268	322	322
Death Claims	79,938	78,966	76,590	83,100
Loans and Cash Surrenders	30,761	27,498	36,390	35,470
Telephone Calls Answered	431,915	397,479	434,710	489,510
S-DVI & VMLI Applications	27,330	22,626	37,680	9,240
VALI Applications	n/a	n/a	n/a	250,000
All Other Insurance Maintenance Actions	168,914	166,657	164,450	278,340

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 2021, the average days to complete (ADC) higher-level reviews was 87 days, and the average days pending (ADP) for higher-level reviews was 28 days. For supplemental claims, the ADC was 90 days, and the ADP 127 days.

VBA and the Board share a total of 122,700 compensation and pension appeals still pending. Fewer than 32,000 are at VBA. Here are the stages of that inventory:

- 1,406 Notices of Disagreement pending
- 564 substantive appeals to the Board (VA Form 9) pending
- 493 appeals pending responses to VA’s Statements of the Case
- 28,871 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 the FTE required to process legacy appeals will decrease as it eliminates the non-remand inventory. In 2021, VBA achieved a higher level of appeals output than projected and realigned 849 FTE to other priority areas. The table below projects the reduction of VBA’s C&P legacy appeals inventory through 2023. The following table provides a summary of workload projections:

Projected Compensation & Pension Appeals Workload	2020	2021 Actual	2022 Estimate	2023 Estimate
Notice of Disagreement Receipts	18,139	1,664	0	0
Appeals Resolutions by VBA	129,251	16,080	5,121	*5,121
Certification of Substantive Appeals to the Board ~	110,097	47,575	39,000	**39,000
Pending Inventory	50,882	31,334	26,000	23,000

~ Certifications include both original certifications as well as remands returned to the Board for a final decision.

* Resolutions will be remands only in 2023.

** Certifications will be recertifications only in 2023.

FTE Tables

The following tables display the estimated allocation of FTE in 2022 by grade and location and the estimated distribution of all grades from 2021 through the 2023 request.

Analysis of FTE				
Distribution Headquarters/Field				
Grade	2022 HQ Estimate	2022 Field Estimate	Total	
SES	35	45	80	
GS-15	158	144	302	
GS-14	533	261	794	
GS-13	1047	2,106	3,153	
GS-12	247	5,779	6,026	
GS-11	105	4,384	4,489	
GS-10	0	3,597	3,597	
GS-9	49	4,231	4,280	
GS-8	0	87	87	
GS-7	46	1,292	1,338	
GS-6	30	712	742	
GS-5	13	331	344	
GS-4	0	53	53	
GS-3	0	7	7	
GS-2	0	0	0	
GS-1	0	0	0	
Total	2,263	23,029	25,292	
Employment Summary-FTE by Grade				
Grade	2021 Actual	2022 Estimate	2023 Request	Increase/ Decrease
SES	80	80	80	0
GS-15	267	302	324	22
GS-14	677	794	857	63
GS-13	2,902	3153	3343	190
GS-12	5,925	6026	6290	264
GS-11	4,442	4489	4693	204
GS-10	3,568	3597	3747	150
GS-9	4,240	4280	4464	184
GS-8	86	87	91	4
GS-7	1,320	1338	1396	58
GS-6	733	742	774	32
GS-5	340	344	360	16
GS-4	52	53	55	2
GS-3	7	7	7	0
GS-2	0	0	0	0
GS-1	0	0	0	0
Total	24,639	25,292	26,481	1,189

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Disability Compensation

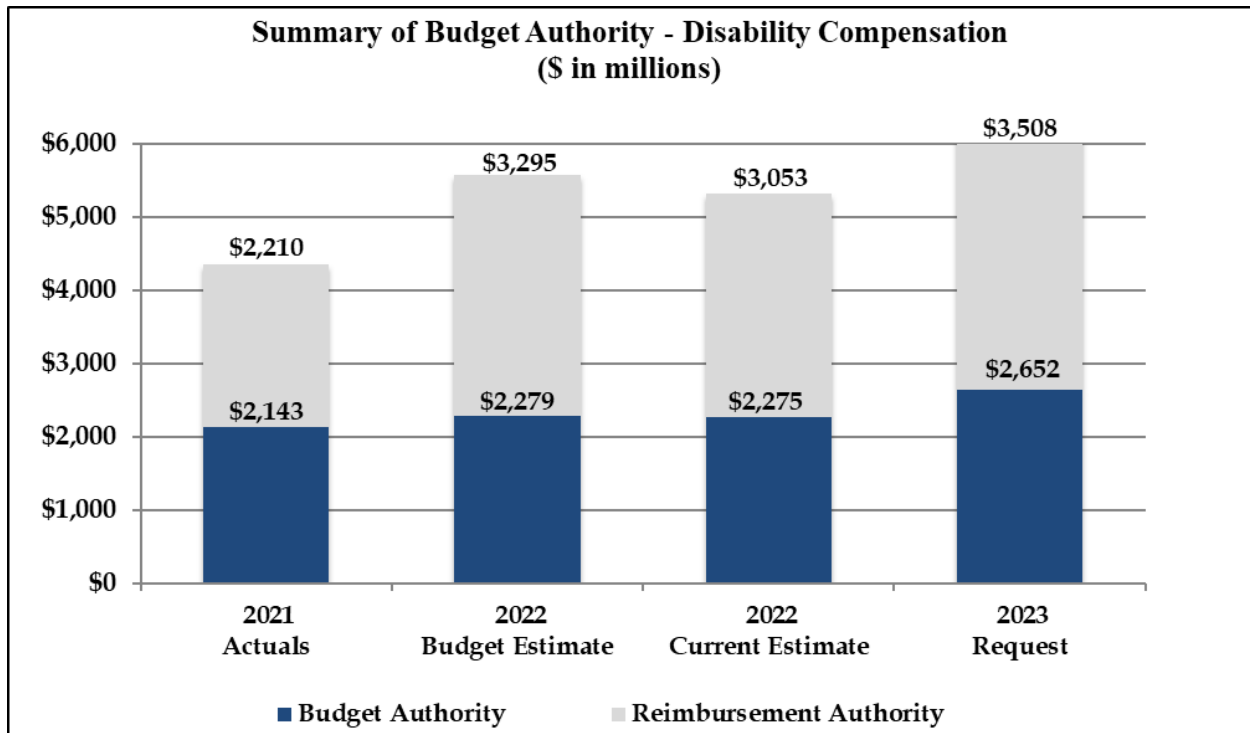
Mission

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

2023 Budget Authority Request: \$2.7 billion

Change over 2022 Current Estimate: + \$376.9 million / + 16.6%



Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President’s Budget request for discretionary appropriation at the topline level. Some program levels have been adjusted within that topline.

Summary of Budget Request

The Department of Veterans Affairs (VA) requests \$2.7 billion in budget authority to fund discretionary portions of the Disability Compensation Program (CS) to include administrative expenses for 18,362 full time equivalent (FTE), which represents an increase of 1,248 FTE.

Disability Compensation					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
Discretionary	2021	2022		2023	2023 - 2022
	Estimate	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct Compensation	15,748	15,453	15,453	16,662	1,209
Management Direction and Support	1,593	1,661	1,661	1,700	39
Total FTE	17,341	17,114	17,114	18,362	1,248
Obligations					
Personal Services (without overtime)	\$1,814,481	\$1,944,679	\$1,964,679	\$2,139,317	\$174,638
Overtime	\$2,299	\$37,333	\$37,333	\$37,333	\$0
Travel	\$3,040	\$28,771	\$28,771	\$29,346	\$575
Interagency Motor Pool	\$0	\$2,988	\$2,988	\$3,048	\$60
Transportation of Things	\$1,505	\$922	\$922	\$940	\$18
Rent, Communications & Utilities	\$101,080	\$135,075	\$135,075	\$137,777	\$2,702
Printing	\$2,086	\$1,387	\$1,387	\$1,415	\$28
Other Services	\$2,462,170	\$3,399,276	\$3,153,137	\$3,786,381	\$633,244
Supplies and Materials	\$2,356	\$4,455	\$4,455	\$4,544	\$89
Equipment	\$3,140	\$18,235	\$18,235	\$18,600	\$365
Insurance Claims	\$835	\$1,015	\$1,015	\$1,035	\$20
Total Administrative Obligations	\$4,392,992	\$5,574,136	\$5,347,997	\$6,159,736	\$811,739
Reimbursements	-\$2,209,640	-\$3,294,935	-\$3,053,204	-\$3,508,063	-\$454,859
Unobligated Balance Brought Forward	-\$87,822	\$0	-\$20,000	\$0	\$20,000
GOE Carry Over	-\$87,770	\$0	-\$20,000	\$0	\$20,000
Recycling	-\$52	\$0	\$0	\$0	\$0
Unobligated Balance, End of Year	\$20,052	\$0	\$0	\$0	\$0
GOE Carry Over	\$20,000	\$0	\$0	\$0	\$0
Recycling	\$52	\$0	\$0	\$0	\$0
Unobligated Bal Expiring	\$27,429	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0	\$0
Net Appropriation	\$2,143,011	\$2,279,201	\$2,274,793	\$2,651,672	\$376,880
Rescission	\$11,678	\$0	\$0	\$0	\$0
Total Appropriation	\$2,154,689	\$2,279,201	\$2,274,793	\$2,651,672	\$376,880
Outlays (net)	\$2,044,443	\$2,116,488	\$3,143,011	\$2,813,204	-\$329,807

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

Changes from Original 2022 Estimate

Total obligations decrease \$226.1 million based on revised contract medical examination estimates for the three new Agent Orange (AO) Presumptive Conditions (Parkinsonism, bladder cancer and hypothyroidism) and three new Gulf War Presumptive Conditions (rhinitis, sinusitis and asthma). Current estimates show fewer examinations needed for these conditions than previously planned.

Changes from 2022 Current Estimate to 2023 Request

Total obligations increase \$811.7 million from the 2022 current estimate for claims processing activities. The 2023 request includes an additional 1,209 direct FTE for claims processing and 39 FTE for management direction and support to resource operational oversight and requirements. The additional FTE will support increased Military Environmental Exposure (MEE) workload for the new respiratory conditions: rhinitis, sinusitis and asthma. The Veterans Benefits

Administration (VBA) will establish a Military Exposures Team (MET) consisting of 25 FTE providing a dedicated focus to MEE-related policy issues. The request will also support growing demands and increased scope of claims while sustaining disability compensation inventory and production levels. The increase also reflects a projected increase of 4.6% in pay and 2.0% for non-pay inflation.

Program Description

Disability compensation is a tax-free monetary benefit paid to Veterans with disabling condition(s) that are the result of a disease or injury incurred or aggravated during active military service. By 2023, rating claim receipts will have increased by 88% and non-rating claim receipts will have increased by 42% since 2014. In 2023, CS will complete a projected 1.6 million disability compensation rating claims, with an average of 207 days pending and an average of 170 days to complete and an inventory of approximately 291,000 claims pending more than 125 days.

CS completed 1.4 million disability compensation rating claims in 2021, which were pending an average of 143 days. The claims took an average of 118 days to complete with an inventory of 232,000 pending for more than 125 days. CS is committed to ensuring Veterans' claims are decided accurately, as reflected by achieving a rating quality of 95.3% in 2021, just shy of the goal of 96%.

Staffing

CS has increased claims production through process optimization and automation, such as the Dependency Rules Based Processing and Automated Hospital Adjustments efforts, to help keep pace with increases in claims receipts. VBA uses evidence-based budgeting and work measurement studies to determine staffing levels. Work measurement studies assess the amount of time it takes claims processors to complete a variety of standardized actions. The standards were updated and released in 2019, enabling VBA to better estimate the number of staff required for claims production based on anticipated claims receipts and current inventory. VBA researched alternatives to this method and discovered that right sizing its workforce will decrease its over-reliance on overtime. Additionally, process optimization and automation has led to more efficient claims processing.

VBA is committed to supporting Veteran employment. 58% of Veteran employees work within CS, and 90% of those employees are directly responsible for processing compensation claims and appeals, which entails gathering evidence, requesting disability examinations and making claims decisions. The remaining staff includes managers, administrative support and central office functions. The programmatic activities outlined in this chapter could not be accomplished without the management and executive leadership, who provide program direction, mentoring and oversight.

Medical Disability Exam (MDE) Program

MDE continues to maximize examinations completed by contract examination vendors to serve Veterans faster, especially in remote locations and overseas. Contract vendors completed more than 1.6 million exam service requests (ESR) in 2021, a 56% increase over 2020. The pandemic affected MDE output from the 2nd quarter of 2020 through the 3rd quarter of 2021. Despite challenges posed by the pandemic, MDE reduced the contract examination pending inventory from

351,000 to 258,000 in 2021. The contract vendors continue to increase their volume of completed ESRs each month, resulting in a decrease in the excess inventory of examinations. MDE completed more than 115,000 (7%) of examinations using Acceptable Clinical Evidence (ACE) and approximately 85,000 (5.1%) of examinations using Tele-C&P.

VBA expects to complete contract medical ESRs examination requests for 2.21 million unique Veterans and Service members in 2022 and 2.36 million in 2023. On average each ESR yields three examinations, completed on Disability Benefits Questionnaires (DBQ) (total DBQs by fiscal year: 2019 - 3,418,990; 2020 - 3,255,832; 2021 - 5,281,066).

COVID-19 Response

The pandemic affected VBA’s business operations, and VBA adjusted by moving to a virtual operating posture for its staff. Veteran Service Centers, district offices, central offices 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 2020.

In April 2020, VBA received supplemental funding from the Coronavirus Aid Relief and Economic Security (CARES) Act (P.L. 116-136), of which \$5 million was used for overtime to mitigate the growing claims inventory. Subsequently, the Veterans Health Administration (VHA) transferred \$140 million in CARES funding to VBA to support additional overtime. The American Rescue Plan (ARP) Act (P.L. 117-2), was enacted in March 2021 and provided VBA an additional \$262 million for claims processing activities to aid in the response to COVID-19. P.L. 117 – 43, Section 151, authorizes the transfer of up to \$178 million from the "Veterans Health Administration--Medical Services" account in title II of division F of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94). VHA. VBA received these funds to implement the interim final rule “Presumptive Service Connection for Respiratory Conditions Due to Exposure to Particulate Matter.” This rule establishes established presumptive service-connection for asthma, rhinitis and sinusitis.

Supplementals and Transfers Summary of Discretionary Funding (\$ in thousands)			
Obligations	2021 Actuals	2022 Authority	2023 Authority
VHA CARES Act Transfer for Overtime	\$140,000	-	-
ARP for Claims Processing	-	\$183,675	\$78,325
VHA Transfer (P.L. 117-43)	-	\$178,000	-
Totals	\$140,000	\$361,675	\$78,325

CS anticipates the receipt of more than 1.6 million rating claims and will complete an estimated 1.5 million claims in 2022. By mid-2024, VBA aims to reduce the number of claims pending over 125 days to approximately 100,000, based on the additional FTE, overtime and the sustained

improvement to the claims evidence supply chain. This reduction assumes continued increases in output from the contract examination providers, VHA and continued improvement to Federal records availability.

New Presumptive Conditions

In early March 2022, VA announced its intention to propose adding several rare respiratory cancers to the list of presumed service-connected disabilities. VA determined through a focused review of scientific and medical evidence that there is biologic plausibility between airborne hazards, specifically particulate matter, and carcinogenesis of the respiratory tract. Based on these findings, the Secretary is proposing a rule that will add presumptive service connection for several rare respiratory cancers for certain Veterans. VA will provide updated budgetary impacts as they become available.

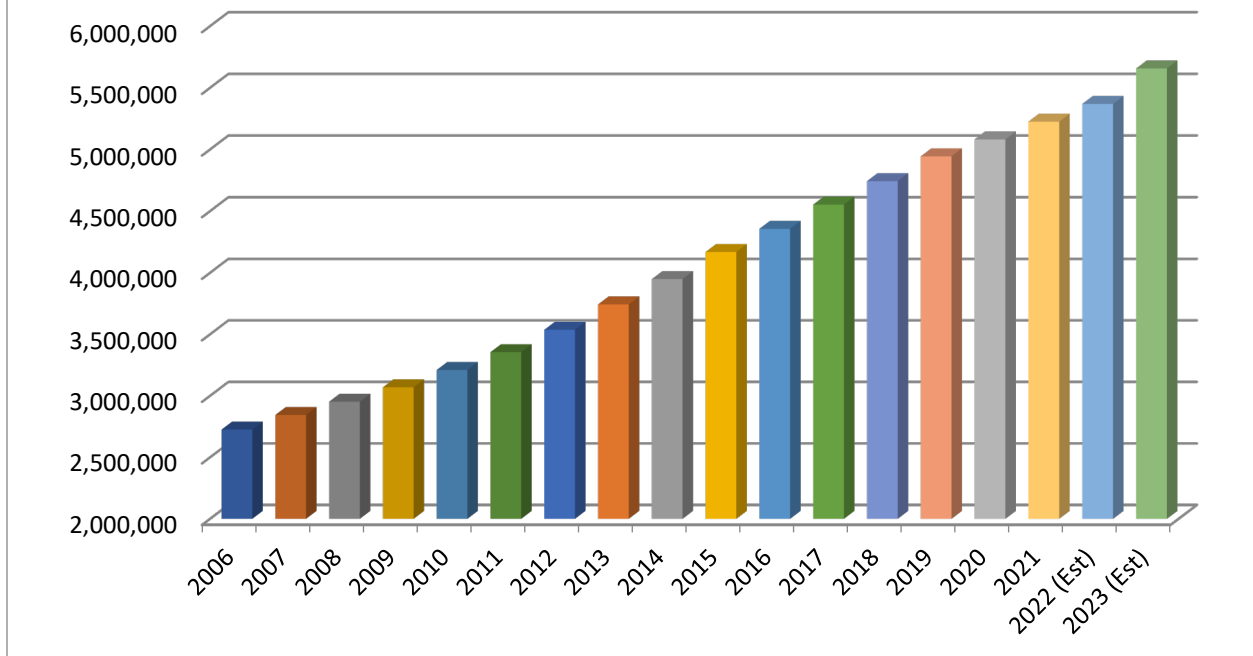
The House Committee on Veterans Affairs (House Committee) introduced a bill titled “Honoring our Promise to Address Comprehensive Toxics Act of 2021.” The Senate Committee on Veterans (Senate Committee) introduced a similar bill titled “The Cost of War Act of 2021.” VBA is continuing to evaluate the potential impact of adding specified presumptive conditions. While VA anticipates a significant workload impact, a full determination of the programmatic and budgetary impact has not been finalized since the bill has not yet been enacted.

Workload

The Disability Compensation Program recognizes the importance of consistent recruitment, development and retention of employees. The following tables provide a summary of the VBA compensation workload and direct FTE projections:

Projected Compensation Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Compensation Direct Labor FTE	15,505	15,748	15,453	16,662
Rating Receipts Compensation Claims	1,454,097	1,531,870	1,661,631	1,809,361
Rating Production Compensation Claims	1,337,075	1,399,049	1,572,924	1,637,125
Year-end Inventory Compensation Claims	449,906	586,089	674,796	847,032

Disability Compensation Running Awards



A quarter of the 20 million Veteran population receives disability compensation. In 2023, CS 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, program reviews and requests for eligibility certifications for determining entitlement from other agencies.

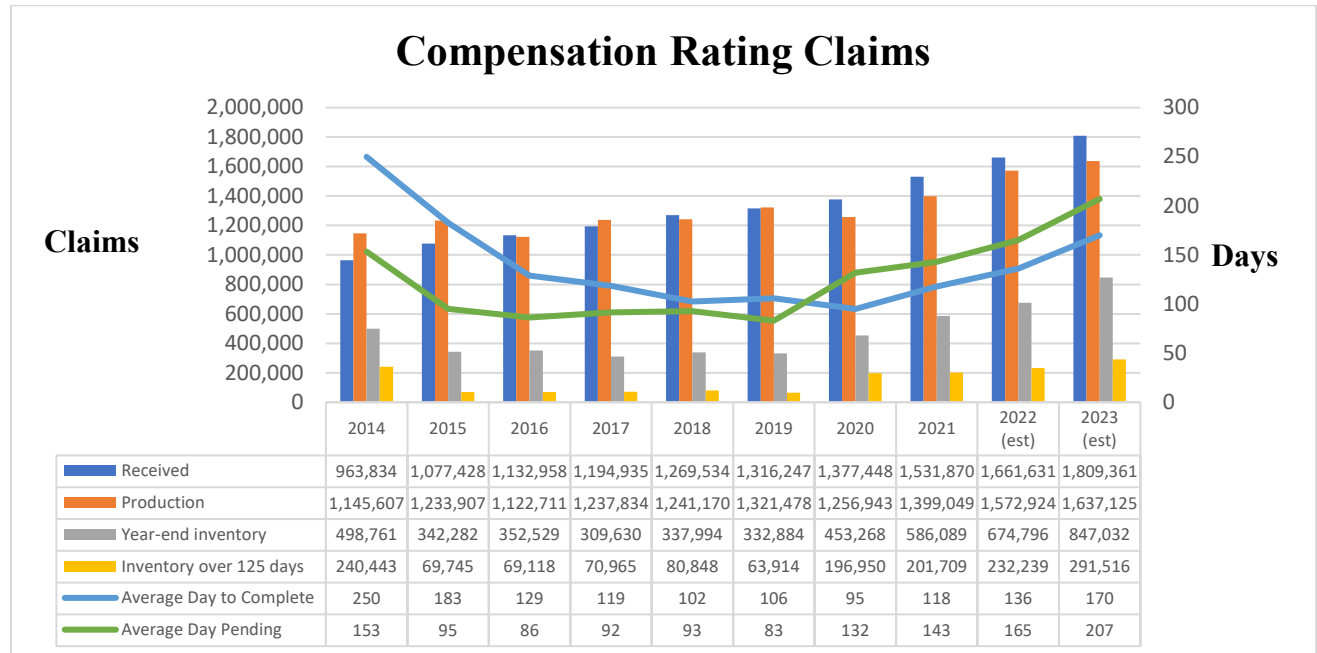
CS sends letters to Veterans, providing them with needed information from the time their claims are filed until a final decision is completed. Veterans may inquire about their claim status by calling VA's toll-free number, 1-800-827-1000, from 8 a.m.-9 p.m. Eastern Standard Time or by using VA's online self-service features at VA.gov to receive status updates or ask benefit related questions. The program strives to complete all rating claims in less than 125 days. 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 previously claimed issues.
- Veterans submit new additional evidence for pending claims late in the claims process.
- Veterans request to reschedule their medical examinations for personal reasons.
- A Disability Compensation processor identifies additional disabilities the Veteran did not claim.
- A Disability Compensation processor identifies additional benefits, such as adapted housing or a total disability evaluation, based on the inability to maintain gainful employment.
- Claims involve complex conditions, such as exposure to radiation or environmental contaminants.
- Claims contain numerous conditions requiring additional development activities.

Compensation Claim Types

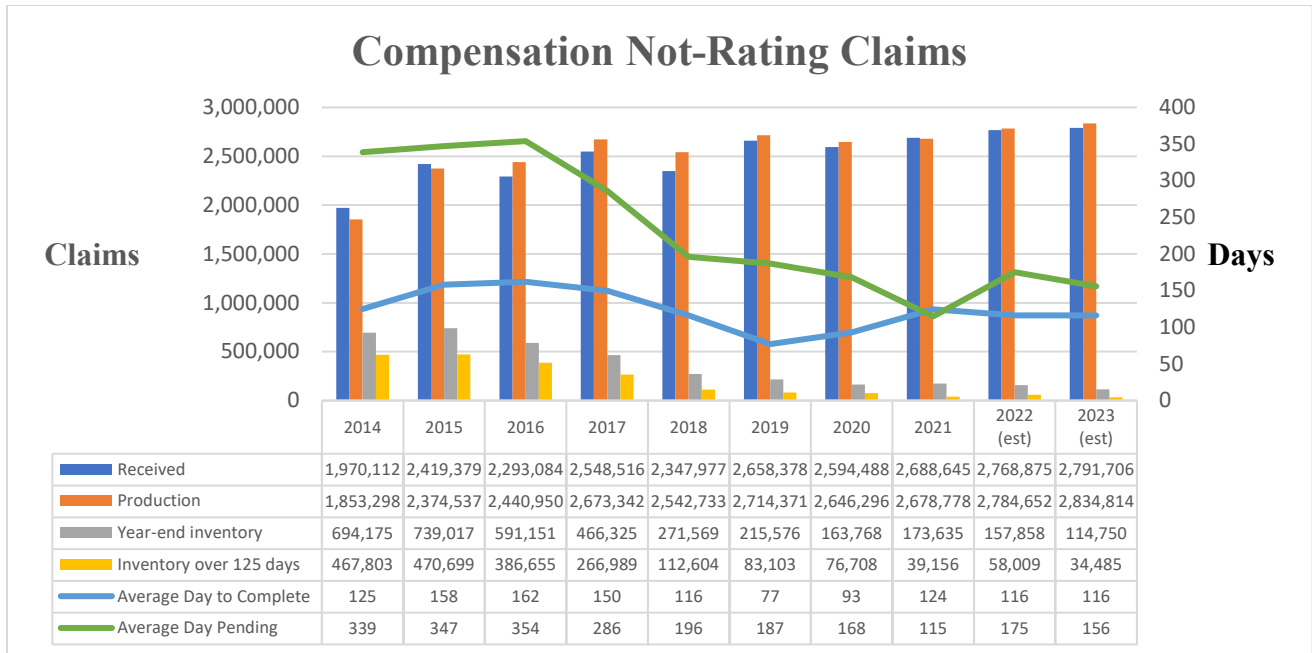
CS divides its work into two broad categories of rating and other than rating. These categories are used to monitor workload tracking and reporting, as well as employee and regional office (RO) performance. The program has a balanced approach to workload management to ensure timely completion of claims.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

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



- 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% 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: 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 (FOIA/PA).

The following chart shows the receipts, completions, pending inventory, associated age of the inventory and average days to complete for not-rating claims.



CS spent approximately \$47 million on overtime in 2021, and it's estimated that approximately \$66 million will be spent on overtime in 2022 and approximately \$70 million in 2023 to address backlogged claims. VBA predicts non-original, supplemental, Blue Water Navy (BWN), AO and MEE claims will continue to drive an increase in inventory.

Workload Relabeling

CS is modernizing its current workload structure to improve customer understanding and transparency. VBA is replacing the current terminology with the following categories:

1. **Direct Benefits:** Workload category includes claims for monetary benefits. Claims processed in this workload category allow access to other VA benefits and services.
2. **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.
3. **Required Benefit Reviews:** 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.
4. **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)). VBA receives approximately 8,800 of these requests per year.
5. **Informational Requests:** Workload includes correspondence received from Veterans, survivors and stakeholders requesting information from VBA. This workload includes general correspondence, FOIA/PA requests and congressional correspondence.

CS 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 Achievements

VBA’s 2023 request is aligned to the Secretary’s priorities. The below table summarizes 2022 and 2023 funding for several key initiatives. These requests, along with FTE and appropriation impacts for other initiatives, are in in the base budget request.

2023 Initiatives Disability Compensation (\$ in thousands)		
Initiative Name	2022 Request	2023 Request
C&P Claims Modernization	\$0	\$120,000
Blue Water Navy (BWN) (P.L. 116-23)	\$9,000	\$9,200
Military Exposures Team (MET)	\$0	\$4,900
VA Schedule for Rating Disabilities (VASRD) Modernization	\$4,400	\$4,600
National Quality Assurance	\$126,000	\$129,000
Pre-discharge Programs	\$40,000	\$41,000
Warrior Training Advancement Course (WARTAC)	\$10,000	\$11,000
National Training Curriculum (NTC)	\$1,000	\$1,200
TOTAL OBLIGATIONS	\$190,400	\$320,900

Providing Veterans with Earned Benefits

C&P Claims Modernization

The C&P Claims Modernization investment will achieve claims processing automation to deliver fast, accurate and consistent claims decisions. This new data-driven capability will reduce manual administrative tasks and activities from the adjudication process and will enable employees to focus on key decision-making functions. This model will keep VBA on pace with the anticipated increased volume of claims related to expansion of benefits to new eligible populations of Veterans. The Claims Modernization initiative is intended to deliver claims decisions more quickly, fairly and consistently than ever before.

VBA launched the pilot for the first iteration of the claims processing automation initiative in December 2021. The pilot introduces claims automation capabilities related to non-original, single-issue claims for increase in hypertension. VBA’s Boise Regional Office is the first pilot location and new stations will be added as the claims processing automation initiative expands to additional types of conditions and claims.

Early metrics show 28 claims decisions completed in less than 10 days. Under the traditional claims process, it typically takes VBA over 100 days to complete the same types of claims. Although these metrics only represent a fraction of the overall impact this initiative will have once it is brought to scale, value is already being achieved. VBA plans to continue to expand the

automation capabilities to three additional conditions each quarter and will also expand to additional types of claims, including claims for presumptive service connections and pre-discharge claims.

Blue Water Navy (BWN) Vietnam Veterans Act of 2019 (P.L. 116-23)

This 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 and the timeframe for Veterans who served in or near the Korean Demilitarized Zone (DMZ) to September 1, 1967, and August 31, 1971, respectively. It also extended spina bifida benefits to cover the children of those Veterans who were exposed to herbicides in Thailand. VBA implemented the provisions of the law to process the following types of BWN claims:

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

The program estimates receiving 238,000 BWN claims and almost 36,000 BWN appeals by 2024. VBA has collaborated with the National Archives and Records Administration (NARA) to digitize more than 10,000 Official Military Personnel Files (OMPF) and approximately two million archival U.S. Navy and Coast Guard deck logs. The scanned copies are added to the appropriate Veteran's case file. This process entails obtaining pertinent information such as ship name, hull number, date and the latitude/longitude (potentially more than one per day). This information now enables claims processors to make eligibility determinations.

VBA centralized BWN claims processing to prioritize these complex claims. The program received more than 114,000 BWN claims through 2021 and completed more than 63,000. The program granted more than 41,000 (64.8%) awards. VBA has provided more than \$968 million in retroactive benefits to Veterans or their surviving spouses.

Military Exposures Team (MET)

MET will provide a dedicated focus and resources to issues related to military environmental exposures (MEE). This is in support of the Secretary's commitment to Veterans and Stakeholders to expedite review and analysis of the types of conditions potentially eligible to meet the statutory threshold for the Secretary to pursue rulemaking as a presumptive disability under Part 3 of the U.S. Code of Federal Regulations. VBA's MET is part of the Secretary's aggressive MEE strategy, fortified by a new Presumptive Model for considering additional presumptive conditions and the elevation and expansion of VHA's former Post Deployment Health Service to the new Office of Health Outcomes and Military Exposures (HOME).

MET staff will serve as the technical experts working closely with HOME to execute the Secretary's vision. VA is looking at military environmental exposures holistically. In addition to the ongoing reviews of scientific reports, including the work of the National Academies of Sciences, Engineering, and Medicine, VA is taking all data sources into consideration, including factors like VBA data and the severity of the diseases Veterans experience. The MET team will collaborate with the HOME team to review scientific and claims data.

MET will have program oversight and management responsibility to address all disability compensation benefit claim-related program research. It will support data analysis for making recommendations for service-connected conditions deemed presumptive due to MEE and support claims research and data analysis necessary to address evidence-based policy determinations for compensation benefits under the VA directives and framework that govern such decisions. Staff will engage with internal and external stakeholders on MEE matters and work with other elements of CS to provide necessary guidance, training and quality review for disability compensation claims processors.

VA Schedule for Rating Disabilities (VASRD) Modernization

CS is continuing to revise and update the 15 body systems contained in the VASRD in 38 C.F.R. Part 4, under the authority of Title 38 U.S.C. §1155. VBA allocated \$22.2 million over a five-year period starting in 2020 for this initiative.

These changes incorporate medical advancements that have occurred since the last review, update current medical terminology and further clarify evaluation criteria. These efforts yield a more accurate rating system and ensure Veterans with service-connected disabilities are compensated for average earning impairment based on modern medical standards. The program utilizes two research contracts to collect data to facilitate this effort. The first is the Earnings Loss Study (ELS), which incorporates economic, data-driven measurements based on data from the Census Bureau and Social Security Administration. This data shows aggregate actual loss in earning capacity for Veterans with various types and combinations of conditions along with medical and scientific data to update VASRD. The ELS initiative 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, the program will support a five-year diagnostic code revision cycle. The second is the Modern Claims Processing contract, which maps medical data from VHA and the Department of Defense (DoD) to VASRD criteria to support decision-making and enable future automation. In 2021, VBA began planning for the next cycle of updates to the VASRD for fiscal years 2024 through 2027, with a concerted focus on potential automation.

National Quality Assurance

VBA has a rigorous national quality assurance portfolio that improves decision accuracy. The program dedicates approximately 5% of its workforce to quality efforts. VBA will conduct at least 10 national CS Quality Calls annually plus monthly District Quality calls. The Quality Management System, which VBA uses to support national Systematic Technical Accuracy Reviews (STAR) and local Individual Quality Reviews (IQRs), provides a more comprehensive analysis of quality data enabling tailored feedback and training. VBA expects to complete 330,000 IQRs per year and conducts over 6,000 national STAR accuracy reviews a year. VBA conducts 18 oversight and compliance visits for ROs each year using a combination of onsite and virtual methods. In 2021, VBA also implemented a new Practicum program to be an internal method to evaluate RO Quality Review Specialist's knowledge of sound quality review techniques and ensure consistent completion of the quality review checklists. A new Rating Veterans Service Representative (RVSr) Practicum was designed to comply with 38 U.S.C. § 7731.

VBA conducts comprehensive national STAR for disability compensation rating and non-rating claim types. VBA reviewed 16,000 rating issues in 2021, which yielded a national accuracy of

95.3%, nearly meeting the goal of 96.0%. More than 3,000 non-rating claims were reviewed and yielded a national accuracy of 91.6%, slightly below the goal of 92.5%. VBA is developing a holistic quality framework that better aligns and measures the underlying process components with the current STAR benefit outcome measures. This holistic approach with interconnected programs that focus on unique requirements will reduce duplication of efforts and improve overall efficiency.

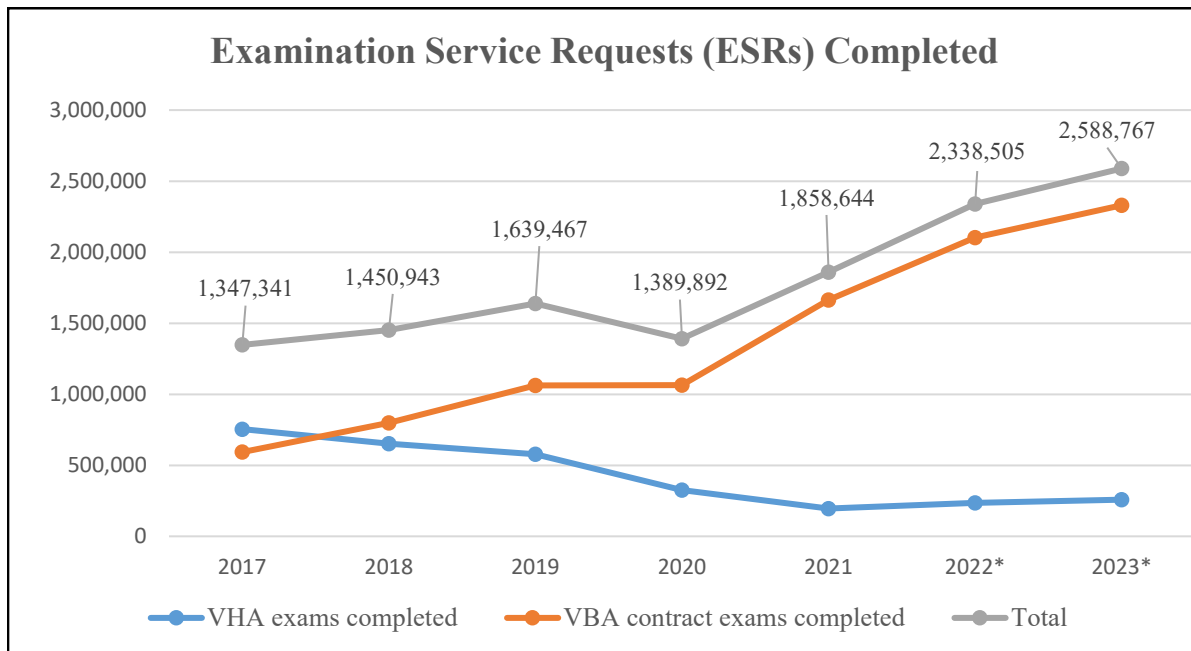
Agent Orange

In 2021, VBA received over 77,000 claims for AO presumptive conditions and has awarded more than \$55 million in retroactive benefits. P.L. 116-283 added three new conditions (Parkinsonism, bladder cancer and hypothyroidism) to the list of presumptive conditions based on exposure to AO during the Vietnam War. VBA estimates receiving 57,509 claims (51,770 Veteran claims and 5,739 survivor claims) in 2022, followed by over 176,000 over the next three years.

Medical Disability Examination Office (MDEO)

The MDE Program provides disability examinations for Veterans, both domestically and internationally. At the end of 2021, more than 1.8 million ESRs were completed and there were more than 258,000 ESRs pending. The volume of completed ESRs increased throughout 2021.

The MDE Program forecasts contract exam vendors will complete medical disability ESRs for over 2.2 million Unique Veterans/Service members in 2022 and over 2.5 million ESRs requests in 2023, as seen in the chart below. On average, each ESR yields an average of three DBQs. The MDE program estimates approximately 6.0 million DBQs will be completed in 2023. CS will require \$3.5 billion in mandatory reimbursable funding to ensure the continued success of the MDE program in 2023.



* 2022 and 2023 are estimates

Pre-discharge Programs

VBA's goal is to ensure 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. 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.

Additionally, 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 2021, more than 31,000 BDD claims were received, and 30,449 were completed.

While the pandemic's travel restrictions halted travel for 2021, VBA plans to resume site visits and training. When able, the VBA Pre-discharge Program team will visit multiple ROs and Military Training Facilities under their jurisdiction. VBA will continue to partner with IDES and BDD stakeholders, such as Veterans Service Organizations, Transition Assistance Advisors and DoD personnel, to build on existing relationships and foster new ones.

Ensuring Strong Fiscal Stewardship

Private Medical Records (PMR) Program

The PMR program reduces the time it takes VBA to obtain records from private healthcare providers. VBA contractors complete the necessary actions of contacting medical providers and uploading domestic records into the Veterans Benefits Management System (VBMS) eFolder within an average of 12 days. Foreign records are obtained, on average, in 20 days or less. PMR Program enables VBA staff to focus on more complex claim activities, improving claims processing time and reducing the traditional development process by approximately 29 days. VBA has retrieved records from approximately 450,000 different private healthcare providers since the program's inception.

VBA has received responses from more than 392,000 requests for medical records through 2021 and projects the anticipated volume of records will cost \$9.7 million in 2021, \$10.3 million for 2022 and \$15 million in 2023. To ensure Veterans data is protected, VBA supports an independent verification and validation effort which monitors compliance.

VBA has processed more than one million PMR requests since 2013, a historic milestone. PMR processing costs \$31 per retrieval for domestic PMRs. In 2020, foreign PMRs were added. The cost of processing foreign PMR requests is \$87 per retrieval. This implementation reduces retrieval time on foreign claims by 40 days. VBA has deployed email services to transmit PMR requests to foreign and domestic providers and 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. This program has saved the taxpayers \$74.3 million since being deployed nationally in 2011.

Military Records Research Center (MRRC)

The MRRC searches unit-level military service records to verify stressor and exposure incidents for Veterans. In 2019, the Department of Army began transitioning the research and verification of relevant unit records in support of AO exposure and post-traumatic stress disorder (PTSD) claims to VBA for events that occurred more than 30 years ago. VBA received approximately 4,000 monthly requests and provided more than 41,000 responses to research requests in 2021.

VBA inherited an existing inventory of more than 24,000 aging records requests. Inventory of records requests continued to grow during 2020, and the pandemic impacted business operations. Daily receipts increased from 132 to approximately 200 as a result. Based on the expected number of record requests, VBA estimates the cost of records research to be approximately \$6.4 million in 2023.

VBA developed and deployed a workflow engine tool within the VBMS that provides a fully searchable digital image repository. This stores the digitized records and tracks current tasks. VBA is targeting a full operational capability of the tool by the end of 2022. The VA-DoD IT interface is critical for the MRRC and DoD to process these claims. VBA plans to implement a scanning solution for daily research to add Coast Guard records.

Both PMR and MRRC programs perform operations functions to obtain necessary records for processing of claims. The programs were realigned from CS to the Office of Field Operations (OFO) and Office of Business Integration in 2021.

Veterans Claims Intake Program (VCIP)

VCIP is an integral part of VBA's claims processing framework and manages various transformation initiatives that collectively support more efficient claims processing across the enterprise. VCIP manages centralized claims intake and mail operations, commercial digitization for supplemental material and automation services.

The centralized claims intake and mail operations initiative manages the receipt and digitization of approximately six million mail packages per year. This initiative eliminates costly and redundant mail operations at VBA's ROs and ensures mail receipts are digitized and presented to VA personnel within six hours of receipt. Average mail processing time has decreased from 55 business days to less than one. This capability remained fully online throughout the pandemic and enabled VBA personnel to rapidly transition to a full-time telework operating setting.

The Supply Chain Modernization initiative encompasses recurring large-scale document conversion activities, which identify and digitize materials needed to fully adjudicate claims. This initiative supports the digitization of more than 25,000 ship logs in response to P.L. 116-23 and has created more than six billion images since 2012. This includes an image quality rating higher than 99%, which is the minimum standard identified by the National Archives and Records Administration (NARA). The introduction of digitization was one of the most impactful transformation initiatives in VBA's history, and it enables online claims processing. Large scale digitization has eliminated the need to maintain costly onsite storage facilities at every RO. VCIP produces more than 600 million images each year and manages the receipt, control and digitization of original source materials into standardized, indexed and searchable electronic formats. VCIP established onsite scanning capabilities co-located at the National Archives, National Personnel

Records Center during the pandemic to ensure supplemental materials needed for claims adjudication were digitized as rapidly as possible. VA intends to fully maximize onsite scanning of as many military files as possible in response to the new presumptive conditions and pending legislative requirements. This initiative is active and has already digitized approximately 400,000 records. In 2022, VCIP will digitize the remainder of the initial target inventory to ensure supplemental materials needed for claims processing are immediately available as new claims are received.

The automation services initiative has fully automated more than two million mail transactions. On average, approximately 8,000 mail processing transactions are automated each day, which equates to approximately 65% of all mail received by VBA. This initiative enabled VBA to reallocate more than 533,000 labor hours to other claims processing activities. VCIP will continue to refine existing automation capabilities and expand automation services to other areas of the claims process.

Reducing Improper Payments to Veterans

VBA performs regular data matches with other federal agencies such as SSA, the Department of the Treasury and DoD to identify potential overpayments or duplicative payments due to a Veteran's return to active duty, reserve duty status, incarceration or death. CS regularly coordinates with VBA's Office of Financial Management Improper Payments and Internal Control Division and the Accounting Policy and Reporting Division to validate and analyze payment trends/audit payments identified in accordance with the Payment Integrity and Information Act.

CS identified a potential \$32.6 million in improper payments or 0.037% of all compensation payments in 2021. To address the findings, CS accomplished the following:

- i. Conducted mandatory training on over-evaluations, under-evaluations and authorization issues.
- ii. Disseminated national guidance on common errors found during quality reviews.
- iii. Reviewed and updated procedural guidance based on errors found.
- iv. Updated procedural guidance on new dependency questionnaire.

Fraud, Waste and Abuse (FWA) Prevention

The Benefits Delivery Protection and Remediation (BDP&R) mission is to detect and prevent fraud across all payments delivered to Veterans. BDP&R used advanced analytics to accomplish the following:

- v. Reduced the C&P related payment redirect fraud rate by 50%.
 1. During 2020, 0.15% of all direct deposit changes were identified and in 2021; only 0.072% of all direct deposit were identified as fraudulent.
- vi. Protected or recovered over \$687,273 from fraudsters in 2021.
- vii. Investigated 2,847 potential incidents of fraud which impacted over 2,545 Veterans in 2021.

Fostering a Culture of Collaboration

Foundational Training

Virtual and In-Person Progression (VIP) Training

The VIP training model administered by Human Capital Services (HCS) and the newly established VIP Program Office continues to be supported by CS with development and maintenance of training content. The new model reduces hiring time to make employees productive by adding instructional integrity to training development. It also reduces travel requirements for employees by utilizing expertise at the ROs during the instructional process. The VIP training format is estimated to avoid over \$4 million a year in travel costs. The HCS, OFO, the Office of Administrative Review and CS worked together to further improve and expand the VIP program in 2021 by adding three special mission programs to the training portfolio: Benefit Eligibility Support Team, Decision Review Operations Center and IDES. This growing portfolio will help standardize training for Veterans Service Representatives (VSR) in all disciplines and enable collection of performance data during and after all VIP training. VBA will expand training capabilities to up to 200 newly hired employees every four weeks. To better prepare VSRs and RVSRs for claims processing, VBA is in the process of planning and developing self-paced training modules. In 2021, 48 regional offices and 14 unique locations participated in VIP sessions that required targeted and specialized training. The collaborative team conducted 16 training sessions for 623 employees. VIP also conducted a successful pilot implementation of the RVSR VIP training and fully transitioned to it in 2022.

HCS developed and instituted new evaluation plans for each VIP and special mission training programs. The plans incorporated training evaluation best practices derived from Federal requirements as well as Office of Personnel Management and Government Accountability Office guidelines to deliver excellent customer experiences, eliminate waste and facilitate data-supported and performance-focused decision-making. To prepare VSRs to manage benefits cases effectively, the VIP instructional design team has been engaged by CS to conduct integrity reviews of training on the new presumptive conditions. HCS will review the successes and weaknesses of the program and make improvements in the coming year. The continuous process improvement and addition of instructional rigor has resulted in growth and improvement of training processes and standardization across VBA.

Warrior Training Advancement Course (WARTAC)

WARTAC is an entry-level education and employment program for Wounded Warriors and transitioning Service members. Successful completion of the training program allows Service members to apply for VSR or RVSR positions at VBA. WARTAC transitioned training to a 100% virtual environment during the pandemic. Ninety-nine percent of WARTAC graduates meet or exceed performance standards (97% exceed; 3% meet), and the retention rate for WARTAC trainees is 77%. Sixty Service members graduated from WARTAC training and 52 accepted VSR positions in 2021. A total of 1,531 graduates, or 98%, have been hired to date. VBA plans to expand WARTAC's Outside the Contiguous United States (OCONUS) footprint from Germany to Korea and Hawaii in 2022.

Specialized Training

National Training Curriculum (NTC)

NTC is a culmination of specialized coursework that provides training to employees responsible for achieving agency goals. Over 13,000 claims processors completed more than 19,000 learning hours of mandated training in 2021. VBA plans to deploy Competency-Based Training System (CBTS) for RVSRs as a modernization of the NTC. CBTS will enable VBA to provide enhanced targeted training for RVSRs based on their demonstrated training needs. The CBTS model will reduce the need for a standardized annual training requirement of the NTC. VBA will expand the CBTS model to VSRs during 2022 with anticipated deployment in the beginning of 2023.

National Work Queue (NWQ)

NWQ gives VBA the ability to assign any claim to one of its 56 ROs. NWQ currently has 22 employees supporting increased sustainment. NWQ staff analyze the daily workload and distribute it by national availability to current workload goals. The Disability Compensation quality assurance strategy routinely returns incorrect claims to the employee who previously worked them in an effort to provide feedback and training. Forty-nine percent of the development work is returned to the office that completed the first action for claims processing efficiency. Unique Mission Tracking provides a work queue for ROs that have special missions. Stations can manage their work using the VBMS queue. The mission of NWQ is to:

- Enhance system functionality to add, edit and delete work types
- Eliminate custom tracked items
- Enhance system functionality to group concurrent pending claims
- Enhance command center functionality to effectively manage the workload
- Enhance system functionality for ROs to distribute work

National Call Centers (NCC)

The NCCs have contact centers located in Jacksonville, North Carolina; Columbia, South Carolina; Cleveland, Ohio; Nashville, Tennessee; Philadelphia, Pennsylvania; Phoenix, Arizona; Salt Lake City, Utah; St. Louis, Missouri; and San Juan, Puerto Rico. The NCC accepts calls from 8 a.m.-9 p.m. Eastern Time. If a Veteran calls after normal business hours, the Veteran can access limited information and self-service features through a speech-directed language interactive voice response system. Callers also receive information on accessing benefits information and assistance via VA.gov or eBenefits. VBA is working with the Office of Information and Technology to sunset the eBenefits platform and will transition all VBA functionality to VA.gov. Most features have already migrated to VA.gov, including the ability to file a claim, check claim status, assess eligibility for Chapter 36, update direct deposit information, view payment history and upload evidence.

The NCC implemented the following enhancements and improvements in 2021:

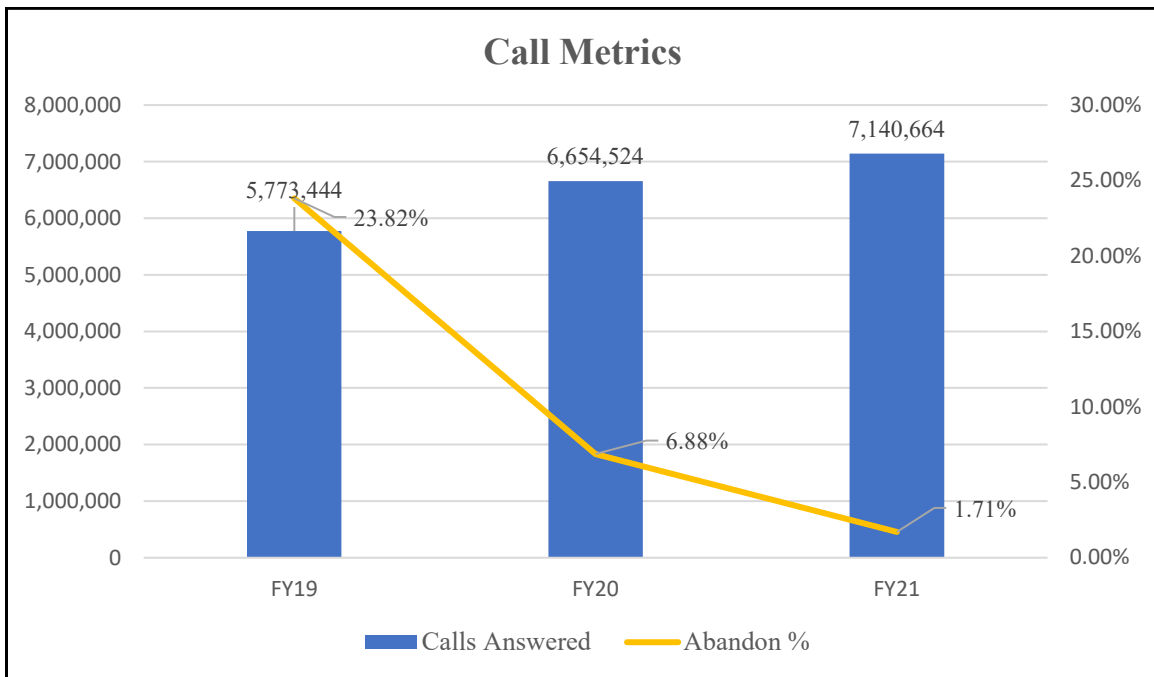
- Expanded NCC service hours across all locations to ensure quick and efficient access across the full 13-hour span of control.
- Created a national queue for answering IRIS inquiries, which transitioned responsibilities for

IRIS completions from one station to the NCC enterprise. This helped to reduce the average days to respond from 17.9 days in 2020 to the current rate of 1.0 day.

- Implemented a Point of Interaction processing program that allows simple claim and record actions to be completed by the NCC agents, eliminating the need for unnecessary organizational handoffs to Veterans Service Center (VSC) claims processors. NCC agents successfully completed over 70,000 POI actions in 2021, freeing up VSC capacity for more complicated claims processing activities.
- Implemented enhancements to the NCC Quality Management Program to expand real-time feedback to agents on opportunities for improvement and deficiencies that require immediate correction.
- Implemented comprehensive service recovery program to address and resolve customer complaints received via multiple channels, e.g., White House Hotline and the Secretary of Veterans Affairs.
- Implemented an enterprise management approach and principles, including standing up a dedicated Workforce Management team, resulting in improved workload management and load balancing across the enterprise.

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. NCCs prepared and provided more than 426,000 Veteran requested letters via encrypted email, mail or fax in 2021.

NCC maintained a blocked call rate of 0.0% and achieved an abandoned call rate of 1.7% in 2021, a significant improvement from the 2020 abandoned call rate of 6.9%. NCCs have answered 7.1 million calls, an increase of more than 600,000 from 2020 performance. NCCs improved customer wait time from three minutes to 20 seconds in 2020 and 32 seconds in 2021.



There are five primary call types VBA receives daily:

- Status of the claim (35%)
- Correspondence and forms (9%)
- Update contact and account information (6%)
- General benefits information (6%)
- Payments and debts (2%)

The remaining call volume (42%) consists of a variety of call types that on average, individually comprise less than 2% of the NCC daily call volume.

NCCs answered more than 181,000 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 12,545 client interactions in 2021. NCCs achieved an overall score of 92% for phone quality, exceeding the goal of 91%.

Planned activities for 2022 include:

- Transition of Fiduciary calls to the NCC from the Fiduciary Hubs.
- Implement auto processing of dependent verification and first notice of death of a survivor in receipt of VA benefits via mail automation.
- Implement improvements in the audit process to support streamlined receipt, processing and completion audit requests.

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

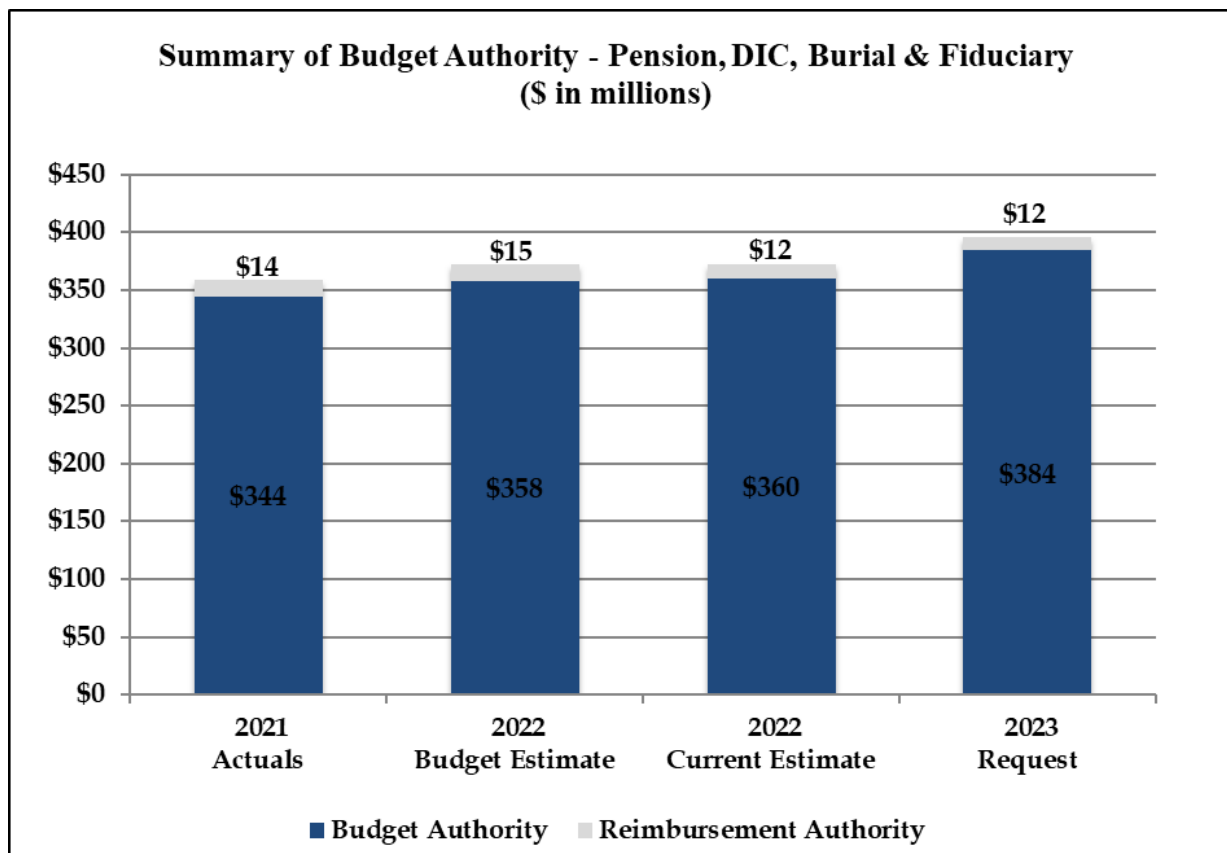
Mission

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

2023 Budget Authority Request: \$384.3 million

Change over 2022 Current Estimate: + \$24.0 million / + 6.7%



Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President's Budget request for discretionary appropriation at the topline level. Some program levels have been adjusted within that topline.

Summary of Budget Request

VBA requests \$384.3 million in budget authority to fund discretionary portions of the Pension, DIC, Burial and Fiduciary (P&F) programs to include the administrative expenses for 2,614 full time equivalent (FTE).

Pension, DIC, Burial, & Fiduciary					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2021	2022		2023	2023 - 2022
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct Pensions	856	1,073	1,073	890	-183
Direct Fiduciary	1,225	1,335	1,335	1,335	0
Direct Burial	118	118	118	118	0
PenFid Direct FTE	2,199	2,526	2,526	2,343	-183
Management Direction and Support	222	271	271	271	0
PenFid FTE	2,421	2,797	2,797	2,614	-183
Obligations					
Personal Services (without overtime)	\$299,765	\$307,966	\$307,966	\$295,804	-\$12,162
Overtime	\$675	\$2,000	\$2,000	\$2,000	\$0
Travel	\$734	\$2,177	\$2,177	\$2,221	\$44
Interagency Motor Pool	\$0	\$1,288	\$1,288	\$1,314	\$26
Transportation of Things	\$266	\$271	\$271	\$276	\$5
Rent, Communications & Utilities	\$18,418	\$18,787	\$18,787	\$19,163	\$376
Printing	\$402	\$410	\$410	\$418	\$8
Other Services	\$35,878	\$36,682	\$36,682	\$72,311	\$35,629
Supplies and Materials	\$573	\$1,095	\$1,095	\$1,117	\$22
Equipment	\$1,787	\$1,823	\$1,823	\$1,859	\$36
Insurance Claims	\$55	\$56	\$56	\$57	\$1
PenFid Administrative Obligations	\$358,553	\$372,555	\$372,555	\$396,539	\$23,984
Reimbursements	-\$14,081	-\$14,640	-\$12,218	-\$12,218	\$0
Net Appropriation	\$344,472	\$357,915	\$360,337	\$384,321	\$23,984
Rescission	\$1,783	\$0	\$0	\$0	\$0
PenFid Appropriation	\$346,255	\$357,915	\$360,337	\$384,321	\$23,984
Outlays (net)	\$335,860	\$344,612	\$344,612	\$372,792	\$28,180

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

Changes from Original 2022 Estimate

Total obligations did not change from the original 2022 estimate.

Changes from 2022 Current Estimate to 2023 Request

Total administrative obligations increase \$24.0 million from the 2022 current estimate. The 2023 request includes \$34.7 million for the Pension Optimization Initiative (POI). With this investment, VBA will expand upon current pension automation efforts to reduce processing/wait times from months to weeks or days. This request also includes a reduction in 183 FTE based on efficiencies gained in prior years through increased automation, improved procedures and more efficient workload management. The FTE are being realigned to Compensation Service to backfill

workload and create capacity for experienced claims processors to work the new presumptive claims. It also reflects a projected increase of 4.6% in pay and 2.0% for non-pay inflation.

Program Descriptions

Pension for Veterans and Survivors

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 monthly survivor's pension benefits if their income and net worth are within the yearly limits set by law.

[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.

Dependency and Indemnity Compensation (DIC) and Parents DIC

[DIC](#) provides supplemental income for survivors of Veterans who died as a result of or related to their service-connected disabilities.

[DIC](#) benefits are provided to two categories of survivors. P&F provides monthly benefits to surviving spouses (basic monthly rate of \$1,437.66 in 2022) 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 financial assistance for the dignified burial of Veterans. 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 (\$2,000) or non-service-connected (\$300) and whether the Veteran died in a VA facility (\$828 for 2022). 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. 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 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. The [Fiduciary Program](#) provides oversight for VA's most vulnerable beneficiaries who are determined 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 and 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 the fiduciary is properly managing the beneficiary's funds and ensuring all needs are being met.

Staffing

An estimated \$296 million, or 75%, of the 2023 request for these programs is for salaries and benefits. As of September 2021, VBA employed 896 pension employees in the Pension Management Centers (PMCs) located in Philadelphia and Pittsburgh, Pennsylvania; Milwaukee, Wisconsin; and St. Paul, Minnesota. A total of 686 employees are Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs) responsible for developing, adjudicating and promulgating pension, DIC and burial claims.

There are 210 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 processed is 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 containing 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 56 quality review specialists (RQRSs and AQRSs) 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.

As of September 2021, VBA employs 1,227 fiduciary employees in six Fiduciary hubs: Columbia, South Carolina; Louisville, Kentucky; Indianapolis, Indiana; Lincoln, Nebraska; Milwaukee, Wisconsin; and Salt Lake City, Utah. There are 476 Field Examiners (FEs) who conduct field examinations for beneficiaries P&F has determined are unable to manage their VA benefits. There are 400 Legal Instrumental Examiners (LIEs) who finalize field examinations, release retroactive benefits, audit accountings and process misuse cases. Additionally, 109 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 Veterans and their survivors are receiving their benefits. There are 242 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 and 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 220,000 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.

As of September 2021, there were 94 employees at VBA Central Office (VBACO). P&F provides various support and oversight to the field to include updating policies and procedures; proposing legislation and drafting regulations; responding to congressional and field inquiries; developing and conducting training; performing quality assurance and oversight functions; and providing system enhancement requirements. P&F maintains open communication with PMC and Fiduciary Hub employees to provide consistent guidance ensuring benefits are processed correctly and timely.

Quality and Oversight

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.

P&F actively served more than 129,000 people in 2021, beneficiaries represented in all VA benefits 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. P&F began processing fiduciary workload within the Veterans Benefits Management System (VBMS) in 2021. The move into VBMS has increased efficiency, enhanced timeliness and improved accuracy of the workload in all areas. In 2021, field exam processing improved 23%, misuse processing improved 23% and overall accuracy is 96% as a result.

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 68% 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”).

Projected Pension and DIC Claims Workload and FTE Requirements	2020	2021 Actuals	2022 Estimate	2023 Estimate
Pension, DIC, & Burial Direct Labor FTE	1,018	974	1,191	1,008
Total Receipts	124,661	121,913	117,607	120,839
Pension Claims	66,562	57,825	53,068	54,664
DIC Claims	58,099	64,088	64,539	66,175
Total Production	124,905	123,881	98,457	106,915
Pension Claims	69,232	58,724	40,533	42,847
DIC Claims	55,673	65,157	57,924	64,068
Total Year-end Inventory	29,452	16,418	35,568	49,492
Pension Claims	15,115	6,317	18,852	30,669
DIC Claims	14,337	10,101	16,716	18,823

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 Veteran’s service-connected death
- Survivors’ Pension: a needs-based claim filed by a surviving spouse or child
- Burial Allowances and Reimbursements: a claim for burial, plot and/or transportation allowances
- Accrued Benefits: benefits that are due but not paid prior to the Veteran’s 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

The below table details PMC workload projections.

Pension Management Center - Production	2020	2021 Actuals	2022 Estimate	2023 Estimate
Pension Rating Claims (Includes Reopened Claims)	69,232	58,724	40,533	42,847
Dependency and Indemnity Compensation (Includes Reopened Claims)	55,673	65,157	57,924	64,068
Original Survivors Pension Claims	46,802	30,112	18,715	24,545
Burial Claims (Non-Add to Other Pension Non-Rating)	185,659	169,205	141,665	152,788
Accrued Benefits (Non-Add to Other Pension Non-Rating)	21,283	7,830	1,632	3,365
Pension Non-Rating Claims	389,375	346,132	271,948	298,230
Pension Controlled End Products	108,286	97,225	107,067	107,170
Pension Other End Products	118,671	90,068	78,407	95,788

The workload table below indicates the anticipated processing of field examinations.

Fiduciary Program Workload Completed and FTE Requirements	2020	2021 Actuals	2022 Estimate	2023 Estimate
Direct Labor FTE	1,270	1,225	1,335	1,335
Initial Appointment Field Examinations	33,967	25,050	20,040	17,034
Follow-up Field Examinations	50,134	-	-	-
Follow-up Alternate Field Examinations	22,447	-	-	-
Follow-up Field/Alternate Examinations	-	66,840	53,472	49,127
Percentage Initial Appointments	31.90%	27.3%	27.3%	25.7%
Total Field Examinations	106,548	91,890	73,512	66,161
Accountings	59,500	44,032	39,629	35,666
Fund Usage Reviews	-	5,489	26,053	23,448

Employees work to identify and complete all pending misuse matters, including final misuse determinations, debt establishment and benefit reissuance. P&F recognizes 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 2023 requested resource level supports the following performance measures:

- 80% of Pension Rating Claims processed within 125 days. The percentage of Pension Rating Claims processed within 125 days is currently 89%.
- National Claim-Based Quality of 93% for Pension Rating Claims. National Claim-Based Quality for Pension is currently 96%.
- Average Days to Complete of 76 days for Initial Fiduciary Appointment Exams. The

Average Days to Complete Initial Fiduciary Appointment Exams is currently 38 days.

- 75% of Follow-up Fiduciary Field Exams completed within 175 days. The percentage of Follow-up Field Exams completed within 175 days is currently 99%.

Highlights and Achievements

P&F's 2023 request is aligned to the following VA Secretary's priorities:

Providing Veterans with Earned Benefits

Below are some of the ways P&F worked to strengthen the workforce, improve service and delivery of benefits:

- P&F is modernizing the Fiduciary program by enhancing background check capabilities. Automated mechanisms for the evaluation of criminal records are being used to streamline the background check process, thus decreasing subjectivity. This has improved the consistency of evaluation, which allows for a more effective level of oversight for beneficiaries who are in need of fiduciary support.
- P&F deployed the Fiduciary Accounting Submission Tool (FAST) to improve the accounting process in 2020. Enhancement efforts in 2021 included the addition of fund usage reviews. FAST is an optional web-based system for submitting accounting documents. FAST affords enhanced oversight, reduced workload and more accurate accountings for beneficiaries.
- P&F initiated an overhaul of Pension claims processing with a virtual event that included participants from the field and VBACO in 2021. The group came up with recommendations that included manual changes, form updates and system enhancements to improve timeliness and quality of claims processing. All approved recommendations will be implemented by the end of 2022.
- P&F has achieved a 75% reduction in end-user processing time using SSA-Government Services Online, a secure electronic messaging system.
- In 2021, over \$7.9 billion in DIC benefits were paid to more than 460,000 survivors, compared to \$7.5 billion to 445,000 survivors in 2020.
- P&F completed more than 169,000 burial claims in 2021. The average days to process a burial claim was 26 days, compared to 69 days in 2020. This is a 62% reduction in processing time.

Improve Accessibility and Service to Veterans and Beneficiaries

P&F collaborates with the Office of Field Operations' (OFO) to consolidate fiduciary related calls to the NCC. This increases availability and access to fiduciaries for beneficiaries seeking information related to the fiduciary program.

P&F also conducts outreach through targeted marketing campaigns (letters, social media platforms etc.). Fiduciaries will be notified that P&F is actively monitoring their activities and here to help them be successful. Future outreach will focus on the mandatory training requirements for fiduciaries prior to them fielding appointments and refresher training for recertification.

Provide Specialized Services for Survivors

P&F has consolidated the processing of DIC and burial benefits to the Philadelphia PMC. The

center is staffed with benefits advisors trained to meet the unique needs of surviving family members. Claims processors and benefits advisors provide proactive support for grieving survivors to ensure claims are processed with the least amount of burden. The PMC will specialize in targeted outreach and personalized services for vulnerable survivors.

Pension Optimization Initiative (POI)

Pension Automation 1.0 was completed in 2021 and is in sustainment mode. The POI, formerly Pension Automation 2.0, will expand automation capabilities further. This phase of the POI will begin in the second quarter of 2022. Automation enables claims processors to focus on more complex pension claims, ensuring a quality decision in a timely manner; and to process simple claims faster.

Claims can currently take from 8 to 12 months to process. This is not an acceptable level of service for the Veteran. With the execution of POI, VBA will implement an end-to-end, high-performing, managed services solution that improves the accuracy, efficiency and processing-time of the Pension Management Centers' workload. VBA will ultimately be positioned to process claims within days or weeks of receipt, which would set an industry standard for similar types of claims processing.

Pension Automation 1.0 efforts have reduced the Burial inventory from approximately 37,000 (as of end of year 2019) to approximately 4,300 (as of September 30, 2021), this is an 88% reduction in inventory. Automation has also decreased processing time from 75 days in 2019 to 26 days in 2021. The continuous improvements in automation resulted in increased automation output of 64% in 2021. VBA completed approximately 4,900 extra decisions from the automation program each month in 2021. Bringing automation to Pension claims will free up FTE to be used where VBA needs them.

About 800 employees will be needed on a full-time basis for continued current-state processing of large segments of the pension workload. POI will eliminate the backlog over the course of the project, modernize the claims process and provide the managed services capability that will result in a zero-backlogged claims model target.

Ensuring Strong Fiscal Stewardship

The following programs actively ensure we are fiscally responsible stewards of taxpayer dollars:

- In 2021, P&F matched and performed suspense actions on more than 107,000 awards using the Social Security Death Master file match. This reduced overpayments to beneficiaries who failed to timely report a dependent's death.
- 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 ensured the proper updating of Veterans' records and expedited payments to the cemeteries. There were 13% more state plot claims completed than in 2020, with 48% completed within three business days.
- P&F has generated more than 59,000 pension, burial and (DIC) decisions in 2021, and

pension claims are now completed in an average of 40 days while DIC claims are completed in an average of 64 days. This is well below the established goals of completing all claims within 125 days.

- A Message Work Item is a system-generated message designated to assist PMCs in identifying and tracking cases that require follow-up action. P&F Service initiated a Message Work Item overhaul project to improve claims processing for better and faster service to Veterans and beneficiaries.

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), the Veterans Health Administration (VHA), the National Cemetery Administration (NCA), the Board of Veterans' Appeals, the Department of Defense (DoD), the Defense Finance and Accounting Service (DFAS), the Department of Justice (DOJ), IRS, SSA, and other Federal Government agencies.

- 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.
- P&F collaborates with VSOs to provide them information and updates on process changes in both the Pension and Fiduciary programs.
- 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 70,000 beneficiaries from submitting annual eligibility verification reports.



Education

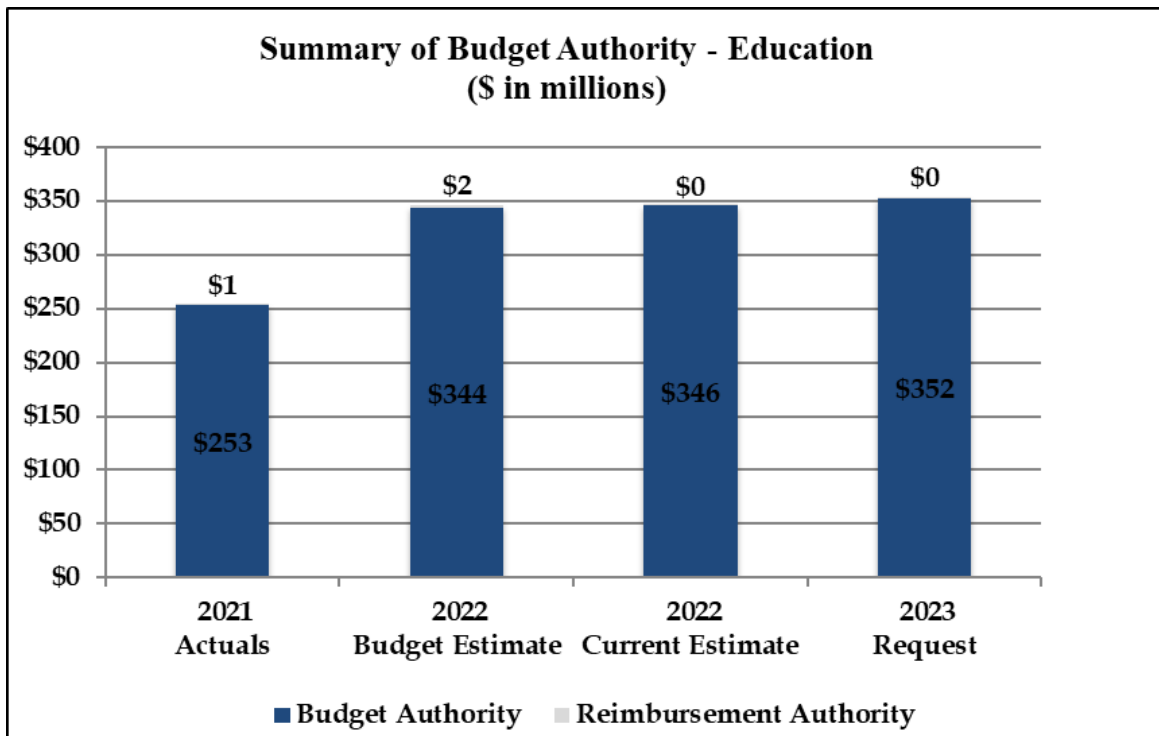
Mission

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

2023 Budget Authority Request: \$352.3 million

Change over 2022 Current Estimate: + \$6.8 million / 2.0%



Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President's Budget request for discretionary appropriation at the topline level. Some program levels have been adjusted within that topline.

Summary of Budget Request

The Department of Veterans Affairs (VA) requests \$352.3 million in budget authority to fund Education Service (Education) for the administrative expenses of 1,995 full time equivalent (FTE). Total budget authority and offsetting collections will fund obligations of \$352.4 million. This request will provide the funding for Education to continue providing access to timely and accurate delivery of benefits.

Education					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
Discretionary	2021	2022		2023	2023 - 2022
	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct	1,724	1,803	1,803	1,803	0
Management Direction and Support	174	192	192	192	0
Total FTE	1,898	1,995	1,995	1,995	0
Obligations					
Personal Services (without overtime)	\$200,228	\$205,706	\$205,706	\$211,414	\$5,708
Overtime	\$4,188	\$6,000	\$6,000	\$6,000	\$0
Travel	\$623	\$1,506	\$1,506	\$1,536	\$30
Interagency Motor Pool	\$0	\$359	\$359	\$366	\$7
Transportation of Things	\$208	\$212	\$212	\$216	\$4
Rent, Communications & Utilities	\$11,737	\$11,972	\$11,972	\$12,211	\$239
Printing	\$653	\$666	\$666	\$679	\$13
Other Services	\$35,444	\$117,513	\$117,513	\$118,235	\$722
Supplies and Materials	\$599	\$815	\$815	\$831	\$16
Equipment	\$868	\$885	\$885	\$903	\$18
Insurance Claims	\$42	\$43	\$43	\$44	\$1
Total Administrative Obligations	\$254,590	\$345,677	\$345,677	\$352,435	\$6,758
Reimbursements	-\$1,174	-\$2,124	-\$138	-\$141	-\$3
Net Appropriation	\$253,416	\$343,553	\$345,539	\$352,294	\$6,755
Rescission	\$1,263	\$0	\$0	\$0	\$0
Total Appropriation	\$254,679	\$343,553	\$345,539	\$352,294	\$6,755
Outlays (net)	\$247,081	\$341,217	\$341,217	\$341,725	\$508

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

Changes from Original 2022 Estimate

Total obligations did not change from the original 2022 estimate. Estimates for reimbursements decreased \$2.0 million to more closely align with historical executed funding related to outreach and printing.

Changes from 2022 Current Estimate to 2023 Request

Total obligations increase by \$6.8 million. This reflects a projected increase of 4.6% in pay and 2.0% for non-pay inflation.

Program Description

Education provides educational assistance programs to Veterans, Service members, National Guard and Reserve members and eligible dependents. This includes assisting beneficiaries with licensing and certification exams; providing on-the-job training placement programs; and providing beneficiaries with financial assistance for training at Institutions of Higher Learning (IHL) or non-college degree programs (NCD). These VA Education benefits help the United States Armed Forces both recruit and retain Service members, as well as assist Service members' readjustment to civilian life. Ultimately, Education benefits help enhance the Nation's competitiveness through the development of a more highly educated and productive workforce.

Benefits Administered

Education administers the following five benefits programs: the Post-9/11 GI Bill (Chapter 33) (the Forever GI Bill); Montgomery GI Bill – Active Duty (Chapter 30); Montgomery GI Bill – Selected Reserve (Chapter 1606); Survivors’ and Dependents’ Educational Assistance Program (DEA) (Chapter 35); and Veterans’ Educational Assistance Program (Chapter 32).

- [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 the benefit to their dependents.
- [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 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.

Education administers specialized benefits under the Veteran Employment Through Technology Education Courses (VET TEC) pilot program which pairs Veterans with high technology programs.

Education also administers the [Veteran Rapid Retraining Assistance Program](#) (VRRAP). VRRAP was established by the American Rescue Plan (ARP) Act (P.L 117-2), and the program began on March 11, 2021. Veterans participating in VRRAP will receive up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates. A Veteran must meet certain eligibility criteria in order to receive VRRAP retraining assistance benefits. VRRAP’s webpage provides information about the program, participating educational institutions and how to submit an application for benefits.

Retraining assistance may not be paid for training that begins on or after December 11, 2022; however, benefit payments may continue to be paid after that date for individuals already pursuing a program under VRRAP. The program is limited to a maximum of 17,250 Veteran participants or the \$386 million funding limit.

Veterans and Service members also have access to the following resources to assist them in making academic and career goal decisions, regarding their individual benefit entitlements: the [GI Bill Comparison Tool](#), the joint VA/DoD eBenefits portal, and the Education Call Center (ECC) at 1-888-GIBILL1 (1-888- 442-4551).

Regional Processing Offices (RPOs)

Education benefits are administered by 1,150 employees who serve as Veteran Claims Examiners, supervisors and support staff at two RPOs located in Buffalo, New York, and Muskogee, Oklahoma. These employees perform functions fundamental to delivering education benefits (reviewing, collecting, and adjudicating claims to determine entitlement decisions). A specialized team administers the Edith Nourse Rogers Science Technology Engineering Math (STEM) Scholarship, VET TEC and Restoration of Entitlement provisions of The Harry W. Colmery Veterans Educational Assistance Act of 2017 (P.L. 115-48) (the Colmery Act).

From October 1, 2020, through September 30, 2021, Education processed 3.4 million education claims. The benefits from some of these claims provided beneficiaries with tuition, fees, and monthly housing allowances, along with the books and supplies used to pursue the education or training program of their choice at an approved VA facility. This ultimately lessens the financial burden of a post-secondary education.

Education Call Center

The ECC, located in Muskogee, Oklahoma, employs 302 employees who respond to calls from Veterans, Service members and school officials regarding the various education programs. Calls are fielded by 273 call center employees. These employees are well versed on all education programs, providing information about basic program eligibility and caller specific benefits information. The remaining 29 employees consist of the ECC Leadership Team, Education Case Managers (ECMs) and support personnel. The ECC maintains a dedicated hotline for School Certifying Officials (SCOs) to quickly reach an ECM to discuss student certification or enrollment. Also, the ECC has a dedicated line for survivors to answer questions and connect them with other resources related to survivor benefits.

From October 1, 2020, through September 30, 2021, the ECC answered over 1.7 million calls that increased the overall customer experience in the following areas:

- **Benefits 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.

- Survivor Line: This is a dedicated line for a child or surviving spouse who can contact the Education Call Center at 1-888-442-4551 and select Option 5. A highly trained agent assists the caller with their education benefits or survivor-related resources.

Oversight and Accountability Division

Education's Oversight and Accountability Division consists of 185 employees. The primary mission of the Oversight and Accountability Division is safeguarding the integrity of the GI Bill. This portfolio includes Integrity and Protection; Approvals, Compliance and Liaison (AC&L); Agreements and Federal Programs; and Federal and State Approval. Employees are based out of Washington, DC; Atlanta, Georgia; and other Veterans Benefits Administration (VBA) Regional Offices (ROs) across the Nation. The division ensures the propriety of GI Bill payments, enforces compliance with GI Bill approval requirements and improves beneficiary satisfaction through:

- Program Approvals: Grant approval and/or reapproval for various education and training programs to participate in the GI Bill programs. Approval activities are completed by the designated State Approving Agency (SAA) and then provided to VBA for review and acceptance or are completed by VBA acting as the SAA. Without the granting of these approvals, beneficiaries are unable to utilize their education benefits at the school or training provider of their choice. The team manages approximately 400,000 approved programs. This maximizes educational and training options available to GI Bill beneficiaries, while also ensuring approved programs meet federal and state standards, along with other applicable statutory requirements.
- Compliance Surveys: Administers programs responsible for conducting thousands of annual compliance surveys performed at schools and training providers, with approved programs, across the Nation as required by 38 U.S.C. § 3693. This compliance activity ensures VA and GI Bill beneficiaries are not overcharged, schools and training providers adhere to their curricula requirements, and policies and Education benefits are not used improperly or unnecessarily. From October 1, 2020, through September 30, 2021, 2,467 audits were completed, resulting in Education continuing to safeguard the integrity of the GI Bill and \$11 billion in education benefit payments paid.
- Risk-Based Surveys: Administers a program responsible for SAA performance of educational program reviews based on risk factors identified in 38 U.S.C. § 3673A. These reviews, developed in partnership with the SAAs, may be regularly scheduled, based on a high composite risk profile score, or ad hoc, due to a notice of action by a Federal or State agency described in 38 U.S.C. § 3673(e). SAA performance of risk-based surveys, rather than compliance surveys, is effective on October 1, 2022.
- Liaison Activities: Oversight and Accountability employees contact schools and participate in 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, which in turn reduces delays in benefit delivery, as well as overpayments/underpayments of benefits.
- Integrity and Protection Actions: These employees monitor comments and feedback submitted through the GI Bill Feedback Tool. Additionally, these employees look for

trends in potential noncompliance with GI Bill approval, recordkeeping and reporting requirements. These employees also work 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 the VA is a good steward of taxpayer funds.

VBA Central Office (VBACO)

Education employs an additional 166 staff located at VBACO in Washington, DC. These employees develop and implement policy, procedures, legislation, strategic oversight, communications, and training. The staff also responds to inquiries from the Office of Management and Budget, Congress and other stakeholders.

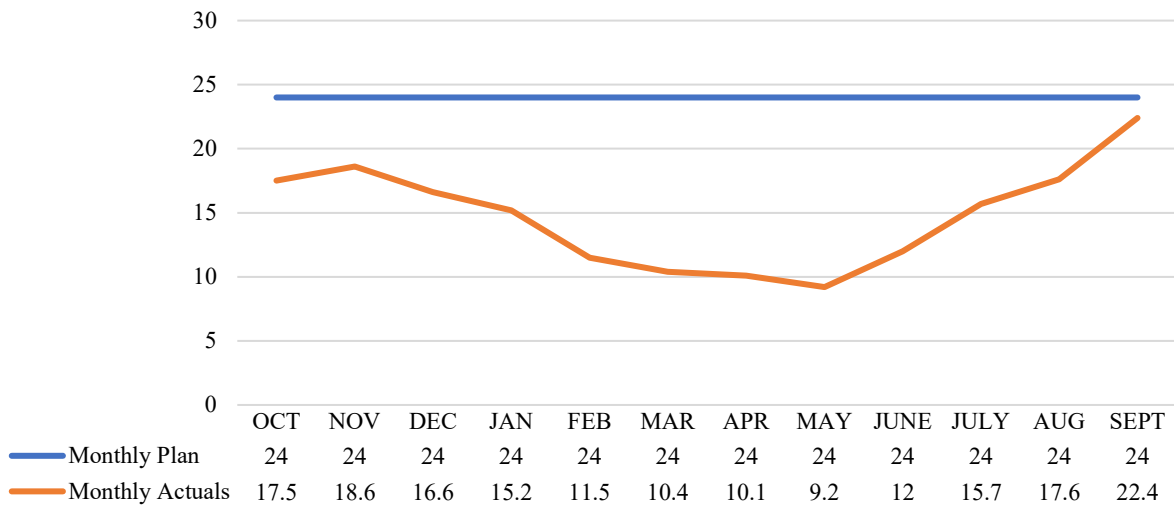
Workload

Projected Education Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Direct Labor FTE	1,899	1,724	1,803	1,803
Total Claims Completed	3,598,346	3,447,033	4,000,502	3,723,768
Change in Claims Completed (over previous year)	-1.37%	-4.21%	16.06%	-6.92%
Average Days to Complete Original Claims	16	15	24	24
Average Days to Complete Supplemental Claims	7	6	12	12
Compliance Reviews	2,388	2,467	3,500	3,500
Calls Processed at Call Center (Answered)	2,025,369	1,799,224	2,768,633	2,768,633

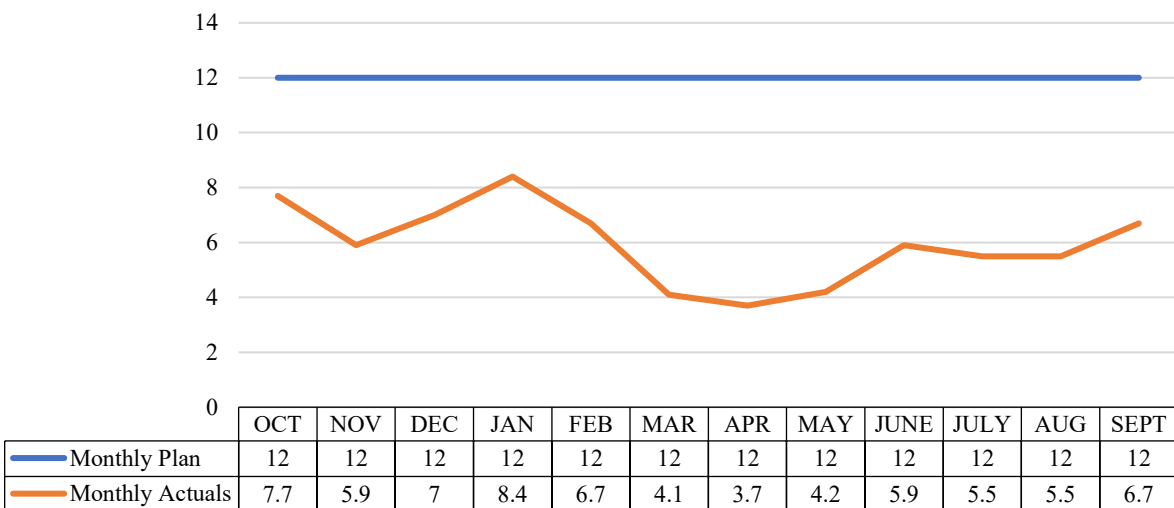
From October 1, 2020, through September 30, 2021, Education processed 3.4 million education claims at an accuracy rate of 97.9%. In comparison, VA predicts that in 2023, over 3.7 million claims will be processed.

In 2021, original claims were processed on average in 15 days, and supplemental claims were processed in 6 days. Targets for 2022 and 2023 were developed based on a review and analysis of claims timeliness of other Federal agencies and the insurance industry. Historically, 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 times varies per month based on the enrollment periods.

2021 Average days to complete original Education claims



2021 Average days to complete supplemental Education claims



Workload for the ECC is determined by the number of callers and inquiries received. The ECC is open from 7 a.m.-6 p.m., Central Time, Monday through Friday. If a beneficiary is unable to call during normal business hours, they can access information on our education and training page located at 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. From October 1, 2020, through September 30, 2021, the ECC answered over 1.7 million calls.

Workload for the AC&L team is determined by the number of approval requests from the education and training providers in conjunction with the requirements of SAAs. AC&L ensures

accurate and consistent application of the laws, regulations and policies governing GI Bill approval activities.

Additionally, compliance surveys are also part of AC&Ls workload and require VA to conduct a compliance survey of approved programs with at least 20 beneficiaries, unless waived due to a history of compliance. To meet the requirements of the law, the AC&L team must conduct, on average, a minimum of 2,000 compliance surveys per year. Additional ad hoc surveys, referred to as Risk Based Surveys (RBSs) and Targeted Risk Based Surveys (TRBSs), 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. This work helps to safeguard the integrity of the GI Bill and ensure that \$11 billion of benefits awarded are paid correctly.

Performance Measures

The 2023 requested resource level supports the following 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 2023 is 24 days. In 2021, Education completed original claims in 15 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 2023 is 12 days. In 2021, Education completed supplemental claims in 6 days.
- **Payment Accuracy:** The amounts are 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 whether accurate eligibility determination was made. The target for 2023 is 95%. In 2021, Education achieved a payment accuracy rate of 97.9%.
- **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 2023 is 90%. In 2021, Education achieved a quality assurance rate of almost 95%.
- **Veterans or beneficiaries who are satisfied with the value received from their GI Bill:** The target in 2023 is 80%. In 2021, satisfaction was 73%.
- **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 2023 is 31 days. In 2021, program approvals were completed in an average of 19.9 days.
- **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 2023 is 80 days. In 2021, compliance survey reports were completed in an average of 28 days.

Highlights and Achievements

VBA's 2023 request is aligned to the Secretary's priorities:

Providing Veterans with Earned Benefits

VET TEC Program

The VET TEC Program is an innovative five-year pilot program which pairs Veterans with industry-leading high technology programs. 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.

Students have 180 days from program completion to find, secure and certify meaningful employment to VA. 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 Education's AC&L team, and the processing of claims and monitoring of funds involves individual case management from RPOs.

Between October 1, 2020, and September 30, 2021, the VET TEC Program received over 49,000 applications and Education approved 32,000 of those applications. Currently, more than 30 approved providers are providing training to 3,695 students, with 2,603 graduating from their programs and 1,437 securing meaningful employment. This is an incredibly popular program where demand has consistently surpassed supply. The annual funding cap is currently \$45 million from the readjustment benefits account.

GI Bill

The [GI Bill Comparison Tool](#) provides information to learn about education programs and compare benefits at different schools. The GI Bill Feedback System is available to support beneficiaries with smartphone access. Designed specifically, with mobile users in mind, it simplifies the user experience amongst a diverse population of beneficiaries. Since inception, over 13,000 complaints have been closed.

Education provides beneficiaries with the most up-to-date benefit information by email and social media. In 2021, Education emailed over 876,000 beneficiaries on topics such as:

- Legislative changes
- School closures
- Benefits updates
- Modernization efforts
- COVID-19 impacts

Education utilizes Facebook to help reach many of its beneficiaries and has published 236 Facebook posts in 2021. These posts reached over 113,000 followers, which led to over 29,000 social media engagements related to the posted material. Additionally, Social Studio, a tool that manages, schedules, and monitors social media accounts, indicated an 82% positive sentiment from GI Bill Facebook followers.

Digital GI Bill (DGIB)

DGIB is a modernized digital platform that is transforming VA technology systems, improving GI Bill students' user experience and optimizing benefits processes for millions of beneficiaries. The new solution, designed with partner Accenture Federal Services (AFS), is improving operations within Education and providing streamlined services to Veterans, beneficiaries and school partners. DGIB operations will result in increased accuracy and timeliness of claims processing. DGIB also allows Education to respond to new legislative requirements quickly.

Digital GI Bill's future state is driven by the people who support and receive benefits from the GI Bill program, leveraging human-centered design (HCD). The end-users – including Veterans and their families – are at the center of the experience. The future state will tap into the exact experience end users desire, by identifying both pain points and the commercial experiences they enjoy. DGIB leverages the HCD process to inform updates to the program roadmap. To support this, 75 HCD User Feedback Sessions were completed with GI Bill students, SCOs, SAAs, and internal VA staff to understand user experience, pain points, and areas for improvement and presented research readout to summarize findings. This feedback informs the design stage where ideas are designed to address pain points and opportunities during concepting and sketching sessions. Before moving onto development, testing and validation of prototypes with different users is completed to measure success and feasibility of designs. The benefit of DGIB's HCD approach continuously puts the end-user at the center of the modernization and experience that we are creating.

The increased automation of claims is expected to reduce the number of errors, which will result in \$11 billion in benefits being paid accurately. The DGIB solution will support business intelligence for evidence-based decisions, along with centralized access to business analytics and reporting services that will track and harness data that resides in different systems today.

The DGIB solution will provide Veterans and their beneficiaries with real-time notifications of eligibility and enrollments and integrated and secure email, phone and chat. Beneficiaries will receive tailored analytics about course of study and degree options with potential career outlook. DGIB will also ensure the Certificate of Eligibility (COE) is available with direct access to the SCOs via email. This new platform will reduce the amount of time for benefits to be approved.

September 29, 2021, marked the successful transition of Post-9/11 GI Bill® claims adjudication to a managed service platform. This was the first step in this modernization journey, which will eventually combine the functionality of dozens of legacy systems into a managed service. As of January 15, 2022, Education provides Post-9/11 GI Bill students attending Non College Degree (NCD) and Institutions of Higher Learning (IHL) the ability to verify monthly enrollment via email, text, or by calling the ECC. Education also deployed additional improvements to support supplemental claims processing, creating a streamlined process for calculation of awards for non-standard IHL graduate enrollments. These changes contribute to a solution that increases efficiencies, reduces downtime and allows VA to more seamlessly implement legislative changes, giving us more time to focus on serving Veterans, Service members and their families.

Future releases beginning in Spring 2022 will include the following functionality:

- **Enhanced Original Claim (Application) Processing** - This release will provide improved claims processing through advanced automation updates. It also deploys a new user experience for Veterans, which will include updated interfaces, as well as new functionalities such as near real-time decision on applications. This update will be focused primarily on Post-9/11 GI Bill (Chapter 33) applications. Future releases will support the integration of more functionalities and upgraded user interfaces for students, Veterans and staff.
- **VET TEC Claims Migration to the Managed Service** - This release will migrate VET TEC Pilot Program claims to be processed in the Managed Service. It provides for calculation of VET TEC awards, with and without amendments and generation of letters.

These future releases are dependent on an enacted appropriation for 2022.

Isakson and Roe Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315)

P.L. 116-315 was signed into law on January 5, 2021. The law has a transformative effect on Education’s mission to provide 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. This includes:

- 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 were 15 provisions, effective on January 5, 2021, that necessitated swift action by VA for implementation. Other provisions took effect on August 1, 2021, or later. By August 2, 2021, Education had implemented 27 of 32 Isakson-Roe provisions; included IT updates for Sections 1010, 1019, 1001, 1005, and 1020, including successfully implementing the monthly Verification Requirement (Section 1010) for Non-College Degree (NCD) facility students to receive Monthly Housing Allowance (MHA) payments. On December 17, 2021, the monthly Verification Requirement (Section 1010) was extended to Institutions of Higher Learning (IHL) facility students. IHL facility students were automatically verified for the month of December and began self-certifying January 31, 2022. We are encouraged by high rates for monthly enrollment verification well as text opt-in. The initial deployment of enrollment verification to IHL students resulted in an opt-in rate of 78%, which is over 11% greater than the initial opt-in rate of NCD students in August 2021. Overall verification of NCD students for December 2021 was 88%, which is 2% greater than November, and we will be monitoring IHL student verification rates moving forward. Text message verification remains a primary driver of enrollment verification, as 95% of verifications are done by text. With email verification now an option, VA will monitor its effectiveness as the first enrollment verification emails issued on January 31, 2022.

The Edith Nourse Rogers STEM Scholarship

From October 1, 2020, to September 30, 2021, over 6,466 students were awarded a Rogers STEM Scholarship. 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 Education can pay in through 2022. The Colmery Act increases the annual amount to \$100 million in 2023 and beyond. The eligibility requirements include:

- 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 prioritized for individuals who are entitled to 100% of Post-9/11 GI Bill benefits, require the most credit hours to complete their program and have not transferred their eligibility to a family member or dependent.

STEMText

The implementation of text message verification through the STEMText program highlights Education's ability to modernize education benefits delivery and customer experience for GI Bill students. There is currently a 90% opt-in rate from eligible Rogers STEM Scholarship awardees, with 96% of those who have elected to opt-in verifying their benefits for monthly housing via text.

Outcome Measures Contract

In July 2021, Education contracted with Sprezzatura to begin to measure data on how benefits are used to support policies and procedures that promote beneficiary retention and graduation. This analysis will provide valuable information as it relates to beneficiaries to include:

1. Income levels
2. Educational paths yielding the best return on investments as measured by Civilian workforce success
3. Disability and homelessness status
4. Non-reliance on public assistance
5. Attainment of educational goals
6. Student debt
7. Default rates

Beginning in 2021, Education started to explore and analyze how well users of GI Bill benefits fare before and after their use of the benefit, along with data on rates of matriculation. Topics that will be addressed include:

- 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.

Training

As part of a modernization effort, Education conducted focus groups and subsequently established recurring planning sessions to identify training needs for field staff beginning in 2021. As a result of these sessions, Education is developing a national training program for new claims processing field staff to provide standardized training for claims processing personnel. Additionally, Education is developing micro-learning training videos to deploy to the ECC. This targeted training will provide an overview of various training topics to call center agents in a format that limits impact on their call availability.

Education began conducting in-depth analysis of training to determine customer satisfaction with deliverables, and applicability to processing claims for benefits, ensuring compliance and processing enrollment certifications through the efforts of the National Training Team-Processing (NTT-P), National Training Team-Compliance (NTT-C) and National Training Team-Schools (NTT-S) teams respectively.

Ensuring Strong Fiscal Stewardship

Oversight and Accountability

In 2021, 2,477 compliance actions were completed, which resulted in the recovery of \$6 million in benefit payments. Education projects over 2,000 compliance surveys and an increased amount of RBSs and Targeted Risk Based Reviews will be completed in 2023, as VA and the SAAs shift focus to a risk-based model, with a savings of an estimated \$21 million. Education annually administers 53 cooperative agreements with SAAs whose core functions are approvals, compliance, liaison and technical assistance to the education and training providers in their home state. Enforcement actions are regular and ongoing in collaboration with other trusted federal agencies to include VA, Office of Inspector General (OIG) – Criminal Investigation Division, Department of Justice (DOJ), Federal Trade Commission, Department of Education and others to include multiple State Offices of the Attorney General.

To improve and standardize compliance procedures, a web-based application for managing compliance surveys was deployed in 2017. This centralized application is used by both VBA and 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. Reports of payment accuracy between 2020 and 2021 have shown a slight decrease in accuracy rates going from 98.3% to 97.9%. Some of these errors are due to data input. Others are 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 issues, but do assist with providing refresher training on specific topics affecting payment accuracy rates. Any establishment of debts against a claimant or facility is established and tracked by VBA. In 2021, 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 benefits 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 VBACO 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. Education is committed to adhering to the highest quality standards to ensure we are good stewards of the taxpayers' dollars.

Safeguarding the Integrity of the GI Bill

From 2019 through 2021, Education, in partnership with VA's OIG Criminal Investigation Division and DOJ, closed multiple criminal and civil cases, to include settlements and jury convictions of school owners, administrators and education and training providers. These actions support the projected recovery of over \$102 million in restitution owed to the government.

Fostering a Culture of Collaboration

The Veteran Rapid Retraining Assistance Program (VRRAP)

The American Rescue Plan Act (P.L. 117-2) established VRRAP on March 11, 2021, and the program became effective immediately. VRRAP is limited to a maximum of 17,250 Veteran participants, or the \$386 million funding limit.

Education worked with stakeholders to launch the program and ensure eligible Veterans had timely access to their benefits. An implementation team was formed, and the processing of VRRAP benefits was centralized at the Muskogee RPO. To launch VRRAP, Education and its partners created an application for benefits, a participation agreement for training providers, a Salesforce application to manage the program, and a solution for payments to Veterans and training providers. The application for benefits went live on May 3, 2021, within 60 days of enactment.

Eligible Veterans participating in VRRAP will receive up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates. Specifically, VRRAP education programs must provide training for a high-demand occupation, as determined by the Commissioner of Labor Statistics. Retraining assistance may not be paid for training that begins on or after December 11, 2022. However, benefit payments may continue to be paid after that date for individuals already pursuing a program under VRRAP.

As of March 11, 2022, VA has received 15,859 applications for VRRAP benefits and issued 11,108 COEs. In addition, 1,012 educational institutions have been approved as VRRAP training providers.

Children of the Fallen Patriots Foundation (CFPF)

During 2021, Education continued to collaborate with CFPF, an organization that provides college scholarships and educational counseling to military children who have lost a parent in the line of duty. The partnership between VBA and CFPF was established in a Memorandum of Understanding that is being extended through 2023. In 2021, the collaboration helped enroll 133 new Survivors' and Dependents' Educational Assistance students. This allowed CFPF to grant four of those new students over \$20,000 in total scholarships. Since the initiation of this partnership in June 2019, Fallen Patriots has enrolled 678 students as a direct result of very successful email campaigns performed by VBA to share scholarship and enrollment information. This partnership has allowed CFPF to grant 125 of those new students over \$2.2 million in total scholarships to date, with another 553 students accounted for in the pipeline.

VET TEC Employer Consortium

In October 2020, VA launched the VET TEC Employer Consortium to bridge the gap between program completion and meaningful employment. The collaboration between Training Providers, Employers and VA within the VET TEC Employer Consortium creates a key space for students to make connections, attend events hosted by VA and employer-partners and be primed for employment success at the completion of their program.

The Employer Consortium seeks to engage VET TEC participants by hosting connection events where VA connects participants and those supporting the program, including employer-partners, and other partners committed to Veteran hiring. The Employer Consortium supports VA's commitment to shorten the hiring window from the time of program completion to employment in the field of study. VA has currently partnered with 14 employer-partners, to include VA's own Office of Information and Technology, which seeks qualified VET TEC graduates for filling internal IT vacancies.

Veterans' Advisory Committee on Education (VACOE)

VBA collaborates with 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 2021, the committee met twice and is currently developing recommendations.

Enterprise Data Management System (EDMS)

Education continues to build out capabilities that allow DoD to engage with VA directly through 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 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 this number will continue to decline as enhancements are added to EDMS.

SCO Annual Training Program

In 2023, 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 2021, over 3,000 covered educational institutions had completed 96,014 hours of training.

National Satellite Media Tour

To reach more beneficiaries, Education Service's Executive Director participated in a national satellite media tour. The discussions included modernization initiatives, as well as some of the economic and personal successes which were made possible through the GI Bill as VA marked the 77th Anniversary of the Servicemen's Readjustment Act of 1944 (GI Bill).

The Executive Director participated in 23 interviews that reached more than 2.6 million people. These interviews discussed how education benefits could be used to enrich, enhance and expand the educational goals of beneficiaries. Discussions also included the various programs and initiatives available, and how benefits and services have been impacted due to COVID-19. This effort expanded Education's reach to ensure Service members, Veterans and their families are aware of the benefits they are entitled to.



Housing

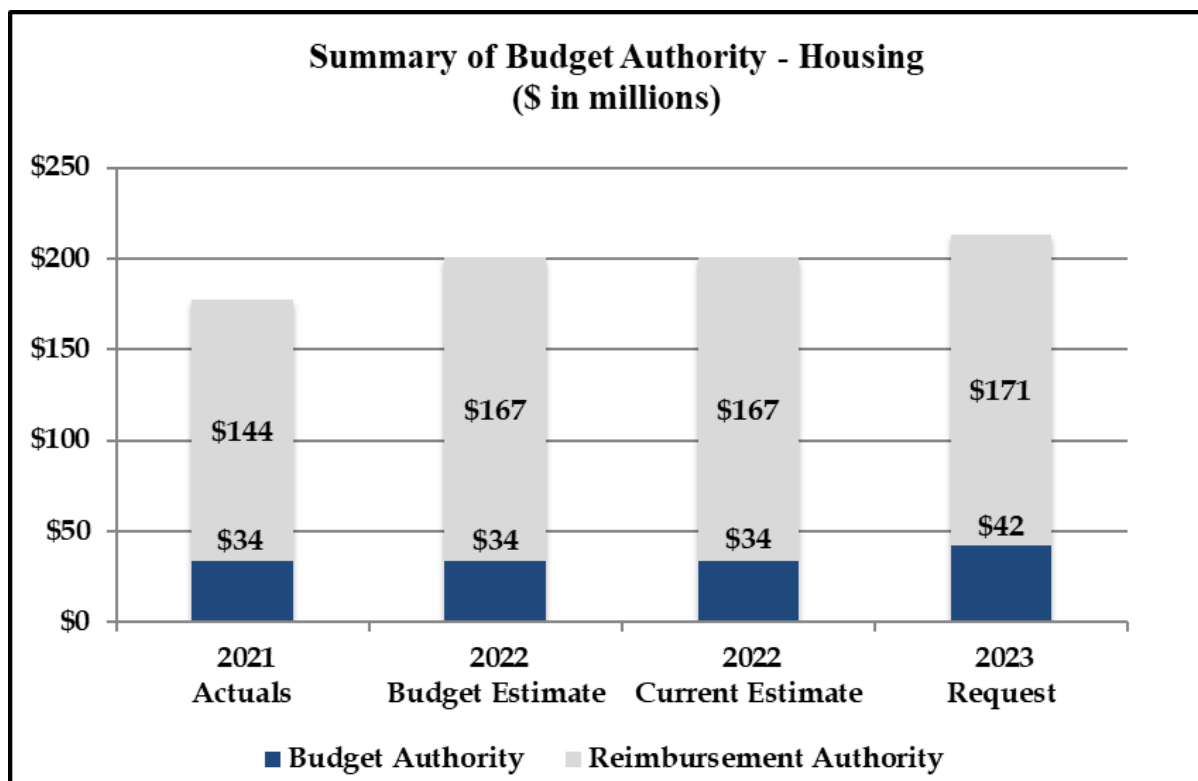
Mission

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

2023 Budget Authority Request: \$42.5 million

Change over 2022 Current Estimate: + \$8.5 million / + 24.9%



Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President's Budget request for discretionary appropriation.

Summary of Budget Request

VA requests \$171.4 million in reimbursement authority from the credit administration accounts and \$42.5 million in budget authority to fund the discretionary portion of the Specially Adapted Housing (SAH) program. This request will provide funding for 1,071 full time equivalent (FTE), an increase of 60 FTE.

Housing					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2021	2022		2023	2023 - 2022
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct	768	918	918	978	60
Management Direction and Support	78	93	93	93	0
Total FTE	846	1,011	1,011	1,071	60
Obligations					
Personal Services (without overtime)	\$122,349	\$128,929	\$128,929	\$141,057	\$12,128
Overtime	\$721	\$76	\$76	\$76	\$0
Travel	\$748	\$1,925	\$1,925	\$1,964	\$39
Interagency Motor Pool	\$0	\$1,207	\$1,207	\$1,231	\$24
Transportation of Things	\$153	\$156	\$156	\$159	\$3
Rent, Communications & Utilities	\$6,424	\$6,552	\$6,552	\$6,683	\$131
Printing	\$78	\$80	\$80	\$82	\$2
Other Services	\$46,191	\$60,930	\$60,930	\$61,317	\$387
Supplies and Materials	\$461	\$518	\$518	\$528	\$10
Equipment	\$557	\$719	\$719	\$733	\$14
Insurance Claims	\$18	\$18	\$18	\$18	\$0
Total Administrative Obligations	\$177,700	\$201,110	\$201,110	\$213,847	\$12,737
VA Housing Administration Reimbursement	-\$143,912	-\$166,572	-\$166,577	-\$170,848	-\$4,271
USDA Portfolio Work Reimbursement	\$0	-\$533	-\$528	-\$533	-\$5
Total Reimbursements	-\$143,912	-\$167,105	-\$167,105	-\$171,381	-\$4,276
Net Appropriation	\$33,788	\$34,005	\$34,005	\$42,466	\$8,461
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$33,788	\$34,005	\$34,005	\$42,466	\$8,461
Outlays (net)	\$32,943	\$31,754	\$31,754	\$41,192	\$9,438

Dollars may not add due to rounding in this and subsequent charts. Net Appropriation represents SAH funding.

Changes from Original 2022 Estimate

Total obligations did not change from the original 2022 estimate.

Changes from 2022 Current Estimate to 2023 Request

Total obligations increase \$12.7 million. The 2023 request includes an additional 60 direct FTE to resource credit reform requirements. It also reflects a projected 4.6% pay increase and 2.0% non-pay increase for inflation.

Sixty FTE will support the VA Loan Guaranty (LGY) program. LGY continues to develop technology enhancements to evaluate credit risk and expand capabilities for robust data analytics. These advancements require additional staff to perform analyses.

Program Description

The VA Home Loan Program helps Service members, Veterans and eligible surviving spouses become homeowners by providing home loan guarantees and other housing-related programs.

VBA will employ 1,071 FTE at the following locations for LGY:

- 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 C.F.R. § 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, and providing appraisal technical support for the Loan Management Section (foreclosure) and SAH. LAPP reviews appraisals and issues NOV's, 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 677,000 appraisals annually for the last three years. The Blue Water Navy (BWN) Vietnam Veterans Act of 2019 (P.L. 116-23), removed the VA loan limits, and C&V staff now have additional duties to ensure that valuations are supported to limit risk.

VA appraisal requirements are outlined in 38 U.S.C. 3731. The C&V staff provides oversight to over 7,000 appraisers serving on the VA Fee Appraiser Panel. 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 can 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 from access width to 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 conducts final field reviews to assess the outcome and ensure the Veteran’s unique mobility needs were addressed. Since 1948, VA has awarded over 46,000 grants worth more than \$1.7 billion.

Assistant Valuation Officers (AVO) are top line supervisors. They are responsible for conducting supervisor responsibilities, serving as technical experts for both SAH and valuation activities and serving as project supervisors for all SAH cases assigned to their staff throughout the grant process. LGY has requested five additional SAH Coordinators to assist the AVOs with case reviews in 2022. The SAH Agent will continue to be the project manager of individual cases, and the SAH Coordinator is responsible for reviewing the SAH Agents’ work. This maintains the 1:13 ratio of AVO to SAH Agents and the 1:6 ratio of SAH Coordinators 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:

Average Loan Amount	Total Loan Volume	Year over year (YOY) increase in Loan Volume	Avg. Loan Amount	YoY increase in average loan amount
2019	624,546	2.3%	\$281,226	6.4%
2020	1,246,817	99.6%	\$301,044	7.1%
2021	1,441,745	15.6%	\$310,175	3.0%

Low interest rates have contributed to a record number of purchase and/or refinance loans. This rise of loan volume significantly increased workload for Loan Production (LP). The 234 LP staff nationwide includes Loan Production Officers, Assistant Loan Production Officers and Loan Specialists who provide all closing activities. VA home loans closed on average in 53 days in 2021, slightly longer than the industry average of approximately 49 days.

The 2023 request includes 60 additional FTE to support the LGY program. LGY continues to develop technology enhancements to evaluate lender performance, understand credit risk and expand capabilities for robust data analytics. These advancements require additional staff to analyze the comprehensive program information and robust data. This includes supporting the President’s new Justice40 initiative, which looks at government spending through socially and environmentally conscious data reporting and planning.

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 over 557,000 COE determinations in 2021. 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, then LP staff will confirm if program usage is possible after consultation with VA’s Compensation Service. Compensation Service then determines if the Veteran has the requisite character of discharge for

program eligibility. Lenders can obtain the COE automatically 76.3% of the time without any assistance by LP staff. The table below provides an overview of COEs manually reviewed between 2019 and 2021. LGY’s goal is to complete 80% of COE determinations in less than one day.

COEs manually reviewed and completed by LP FTE	2021	2020	2019
RLC manual issue	557,077	599,881	490,244
Average processing time in hours	46,426	49,990	40,854
Average processing time in 8-hour workdays	5,803	6,249	5,107
YoY increase in manual processing time	-7%	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 a.m.-6 p.m. eastern standard time Monday through Friday. The surge in program use has significantly increased call volume. Increased call volume and average talk times over the past three years resulted in increasing average wait times, as demonstrated in the table below:

LP Phone Hunt Group	Calls Entered Queue	Calls Answered	YoY change in calls Answered	Time spent in Call Status (hours)	YoY change time spent in call status	Avg. Talk Time	Average Speed to Answer (Seconds)
2019	552,433	540,638	7%	40,247	8%	0:04:28	0:00:40
2020	618,381	599,516	11%	51,458	28%	0:05:09	0:00:55
2021	532,705	515,189	-14%	46,796	-9%	0:05:27	0:01:01

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 received 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. LP processed over 30,000 refunds totaling more than \$135.5 million in 2021.

Over 19,000 Full File Loan Reviews (FFLRs) were performed in 2021. A FFLR is VA’s review of lender’s closed loans records. This review is completed to ensure lenders are adhering to statutory, regulatory and policy items enacted to protect Veteran borrowers.

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
 - a. 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 LA, serving as an intermediary between the Veteran and servicer. Veterans are contacted, offered financial counseling and discuss loss mitigation options.

VBA employs 111 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:

1. Loan and Property Management
2. Loan Policy and Valuation, and Oversight
 - a. Staff includes:
 - i. Loan Specialists
 - ii. Realty Specialists
 - iii. Appraisers
 - iv. Mathematical Statistician
 - v. Leadership
 - vi. 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 (LP, LA, 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 47 lender audits in 2021, about as much as 2020. Those employees also oversaw over 19,000 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. Inventory has drastically reduced due to the former moratorium in place until September 30, 2021. During 2021, VBA managed an average of over 1,500 properties monthly, acquiring over 1,700 properties and selling over 2,100 properties. The return on sale is 95.7%, with the value of properties sold about \$312 million. VA expects this number to increase since the moratorium has been lifted.

Loan Policy and Valuation

Loan Policy and Valuation Staff develop regulations, policies and procedures relating to the eligibility of Veterans. The staff research regulations and statutes, analyze market trends and review 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 1,100 loans have been made under the NADL program.

Workload

In 2021, VA guaranteed over 1.4 million loans. Once again, this is a record number for the program, exceeding the previous record set in 2020 by 12.5%. Workload projections are as follows:

Projected Housing Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Direct Labor FTE	780	768	918	978
Total Guaranteed Loan Volume	1,246,816	1,441,745	981,530	994,889
Total Purchase Loans	428,421	444,050	411,839	432,299
Total Refinance Loans	818,395	997,695	569,691	562,590
Total Loan Amount	\$375,356,714	\$447,192,002	\$305,292,783	\$314,708,978

*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.

The DRR was 98.2% in 2021, exceeding the target of 80%. The number of borrowers avoiding foreclosure in 2021 was over 203,000, a 71% increase over 2020. The increase is mainly due to the foreclosure moratorium through July 2021. The estimated value of claims avoided is over \$4.5 billion. LGY anticipates the DRR will maintain over 98% in 2022 and 2023.

LGY continues to receive an increased volume of COEs. The 2021 established target for COE determinations issued within five days was 95%, but performance was over 98%.

Over 78,000 loan defaults were reported as National Emergency Declaration (NED) in response to the COVID-19 pandemic in 2021. The volume of NED impacted loans will result in a significant increase in oversight and reviews of the VA-guaranteed loan servicing portfolio. The federal pandemic foreclosure and eviction moratorium expired on September 30, 2021, and, accordingly, VA reinitiated eviction processes on October 1, 2021. LGY expects to see an increase in foreclosed properties following the expiration.

LGY is currently implementing a system enhancement to send an automatic letter to all borrowers explaining loss mitigation options and providing their assigned technician's contact information when VA gets notified by the servicer of a referral to the foreclosure attorney. Additionally, foreclosure alternatives and home retention options are reviewed when VA is notified of a foreclosure sale date. At that point, VA contacts the borrower to attempt to assist and may intervene by requesting foreclosure sales get postponed when appropriate. VA will continue to explore new options to avoid foreclosure with affected Veterans.

Highlights and Achievements

VBA's 2023 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.

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. VBA assisted more than 203,000 Veterans and their families in avoiding foreclosure in 2021, maintaining one of the lowest foreclosure rates in the industry. VBA's exception-based servicing saved over \$4.5 billion in potential claim payments during 2021.

Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), made a number of changes to the loan program. These include expanding eligibility for the VA home loan benefit 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 for the home loan benefit under existing National Guard eligibility requirements. Such expansion enables many who served in support of the COVID-19 national emergency access to the home loan benefit. P.L. 116-315 also amended VA statute pertaining to loan fees (38 U.S.C. § 3729), requiring VA to collect a statutory loan fee at the "initial loan" rate, rather than the "subsequent loan" rate, if a Veteran's home secured by a VA-guaranteed loan is substantially damaged or destroyed due to Presidentially-declared major disaster. VA approved approximately 1,200 applications since the law was passed through 2021.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) (P.L. 116-136) was enacted. VA issued guidance to its program participants to ensure compliance with the relevant sections of the CARES Act (Sections 4021, 4022 and 4024). This included outlining and extending the 120-day moratorium on certain eviction and foreclosure actions for properties with 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 they are experiencing a COVID-19 related financial hardship. LGY created a tracking system to identify loans in a CARES Act/COVID-19 forbearance and issued guidance for servicers to ensure that Veteran borrowers are given full access to the forbearance protections. On May 28, 2021, VA published a final rule implementing a temporary relief program, entitled the COVID-19 Veterans Assistance Partial Claim Payment Program (COVID-VAPCP). This assists borrowers when exiting a COVID-19 forbearance, including a CARES Act forbearance. Through 2021, VA received approximately 250 VAPCP submissions. VA continues to explore other ways to assist borrowers facing economic uncertainty, including those who have experienced permanent income loss due to the pandemic.

On July 23, 2021, VA published further guidance to assist borrowers facing economic uncertainty, including those who have experienced permanent income loss due to the pandemic. VA outlined a waterfall of home retention options to assist servicers helping borrowers affected financially by the pandemic in VA Circular 26-21-13. This Circular also announced the COVID-19 Refund Modification, a loan modification specific to those borrowers needing payment reductions when exiting COVID-19 forbearance.

In 2021, VBA continued its efforts to improve accessibility to stakeholders with a national toll-free number for all home loan inquiries. Every call received is routed to the next available loan specialist for assistance. During 2021, program demand has remained at historic levels which continues to result in high call volume. Across all LGY phone queues, 776,248 calls were received from which 751,088 were answered, demonstrating an abandoned call rate of 3.3%. Standardization of staff occurring during the 2021 realignment allowed LGY to centralize

resources. The program has maintained our targets of keeping wait time under one minute. The average wait time is 48 seconds and the average talk time is 05:01. The call workload is distributed across RLCs and provides vital information to Veterans and program stakeholders.

Ensuring Strong Fiscal Stewardship

VALERI is a modernized, robust, paperless oversight and servicing system. VALERI 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 1.2 million Veterans and their families with an alternative to foreclosure since 2009, which saved over \$35 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 203,000 Veterans and their families avoid losing their homes, saving over \$4.5 billion in claim payments during 2021.

Another system used to serve Veteran borrowers is the Appraisal Management System/Automated Valuation Model (AMS/AVM). AMS/AVM, which provides an in-depth risk assessment of every completed appraisal. VBA exceeded 700,000 assessments in 2021, allowing employees to focus on high-risk appraisals, increase the quality of appraisals and recruit appraisers. AMS/AVM processes and analyzes over \$425 billion in annual total loan volume.

Addressing Climate-Related Financial Risk

In accordance with the President's Executive Order on Climate-Related Financial Risk, LGY is working with the Departments of Agriculture and Housing and Urban Development to consider approaches to better integrate climate-related financial risk into federal credit programs. Efforts to-date include contracting for additional expert analytical support, identifying and sharing initial risk assessments in working groups comprised of credit representatives of these agencies, and exploring the financial sensitivity of proposed 2023 activity to adverse movements in default and recovery performance that could be related to climate-change risks.

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 an independent fee appraiser panel to have appraisals completed on a rotational basis to ensure no favoritism or discrimination in the making of assignments. 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. VA is also participating in the Property Appraisal and Valuation Equity (PAVE) Interagency Task Force to address potential bias and inequity in the home appraisal and homebuying process.

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 outreach and communication efforts are reaching the desired audience as reported in industry source data obtained on a quarterly basis. VA loan volume

surpassed record levels in 2021 with more than 1.4 million loans, thereby exceeding the 1.2 million loans originated in 2020. The program is forecasted for high volumes in the foreseeable future.

All adaptation functions previously performed by Veteran Readiness and Employment (VR&E) are now performed by LGY SAH staff in alignment with P.L. 115-177. This includes Veteran engagement, construction assessments and project management. For 2021, 82 VR&E Independent Living projects were referred to the SAH program.

VRE IL Referrals		
Fiscal Year	Totals	Monthly Averages
2019	59	5
2020	93	8
2021	82	7
Totals	234	7
Active Cases	152	

LGY hosts webinars, events and training online, LGY using advanced software 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, covering 508 compliance requirements. LGY records and provides timely information to keep stakeholder abreast of any change to regulations and handbooks. Additionally, LGY delivered specific program training to field staff on the NADL Program.

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Veteran Readiness and Employment

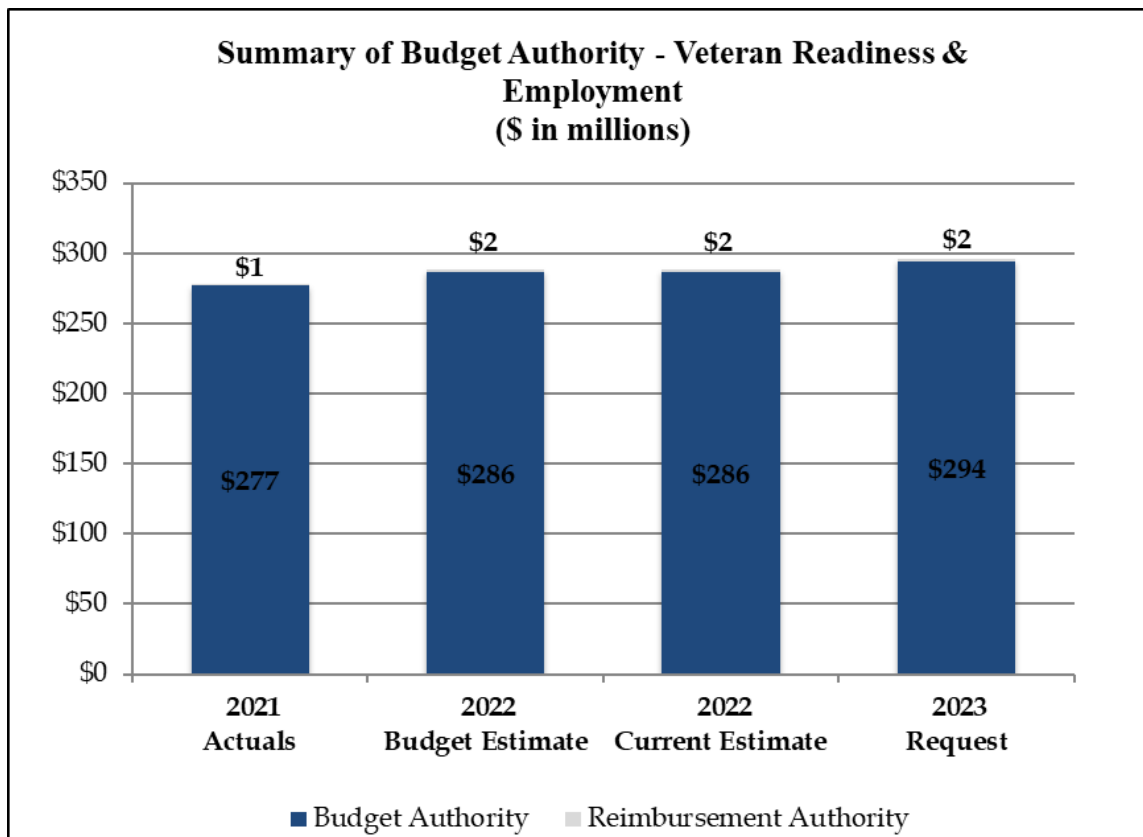
Mission

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 Employment¹ (VR&E) Program offers services to improve their ability to live as independently as possible in their homes and communities.

Summary of Budget Authority

2023 Budget Authority Request: \$294.1 million

Change over 2022 Current Estimate: + \$7.7 million / + 2.7%



Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President's Budget request for discretionary appropriation.

¹ Formerly "Vocational Rehabilitation and Employment".

Summary of Budget Request

VA requests \$294.1 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					
(\$ in thousands)					
	2021	2022		2023	2023 - 2022
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct	1,493	1,678	1,628	1,628	0
Management Direction and Support	151	178	228	228	0
Total FTE	1,644	1,856	1,856	1,856	0
Obligations					
Personal Services (without overtime)	\$232,096	\$238,446	\$238,446	\$245,063	\$6,617
Overtime	\$500	\$500	\$500	\$500	\$0
Travel	\$811	\$2,543	\$2,543	\$2,594	\$51
Interagency Motor Pool	\$0	\$266	\$266	\$271	\$5
Transportation of Things	\$188	\$191	\$191	\$195	\$4
Rent, Communications & Utilities	\$12,637	\$12,890	\$12,890	\$13,148	\$258
Printing	\$481	\$490	\$490	\$500	\$10
Other Services	\$30,385	\$30,913	\$30,913	\$31,654	\$741
Supplies and Materials	\$508	\$1,538	\$1,538	\$1,569	\$31
Equipment	\$413	\$421	\$421	\$429	\$8
Insurance Claims	\$38	\$39	\$39	\$40	\$1
Total Administrative Obligations	\$278,057	\$288,237	\$288,237	\$295,963	\$7,726
Reimbursements	-\$1,007	-\$1,836	-\$1,836	-\$1,875	-\$40
Net Appropriation	\$277,050	\$286,401	\$286,401	\$294,088	\$7,686
Rescission	\$1,171	\$0	\$0	\$0	\$0
Total Appropriation	\$278,221	\$286,401	\$286,401	\$294,088	\$7,686
Outlays (net)	\$270,124	\$284,472	\$284,472	\$285,265	\$793

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

Changes from Original 2022 Estimate

Total obligations did not change from the original 2022 estimate.

Changes from 2022 Current Estimate to 2023 Request

Total obligations increase by \$7.7 million. This reflects a projected increase of 4.6% in pay and 2.0% for non-pay 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 and Service members with a serious employment barrier 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.

Operations

\$245.1 million, or 83%, of the 2023 request is for salaries and benefits. VR&E employs over 1,000 Vocational Rehabilitation Counselors (VRCs), 964 Chapter 31 VRCs, 99 Integrated Disability Evaluation System (IDES) Counselors and 87 VetSuccess on Campus (VSOC) Counselors. VR&E's service delivery model supports Veterans at over 350 office locations including the 56 Regional Offices (ROs), the National Capital Region Benefits Office, 142 out-based offices, 70 IDES installations and 104 VSOC schools/sites.

Improvements in appeals processing and reduced legacy appeals inventory enabled VBA to repurpose an estimated 166 FTE to critical missions supporting the VR&E program in 2021. This included 134 VRCs necessary for VR&E's anticipated program growth and to maintain the 1:125 VRC to Veteran ratio required by the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (P.L. 114-223, Section 254). The VRC increase requires a commensurate increase in management staff. Currently, 70 VR&E supervisors are responsible for a total of 1,354 staff, resulting in a ratio of approximately 1:19. The additional 47 FTE in 2022 will improve the ratio to 1:12, directly supporting the training, oversight, quality control and development needs of field staff. This improved ratio will bring VA closer to the recommended 1:6 ratio from the Counseling and Related Educational Programs (CACREP).² The additional supervisors will support long term benefits through reduction in the VRC turnover rate, decrease in program participant dissatisfaction and a significant decrease in program inefficiencies.

Employment Coordinators (ECs)

VR&E's 76 Employment Coordinators (ECs) help Chapter 31 Veterans find, apply for and secure suitable employment. ECs currently assist approximately 10,000 Veterans who are actively seeking employment. ECs provide support for professional job placement, training to prepare resumes for the private sector and federal job placement, interviewing skills, career counseling and other job readiness activities.

Integrated Disability Evaluation System (IDES)

Currently, 98 Counselors provide direct services to IDES participants. These Counselors provided one-on-one briefings to an average of 1,109 Service members per month over the last 12 months. This includes comprehensive rehabilitation evaluations to determine abilities, skills and interests for employment purposes. Transitioning, wounded, ill and injured Service members receive timely benefits and enhanced services from IDES Counselors who retain office space on military installations. The National Defense Authorization Act (P.L. 110-181), Section 1361(b), established VR&E eligibility and automatic entitlement for severely injured active duty individuals before a VA rating is issued. The IDES/VR&E initiative transforms the way VA supports wounded, ill and injured Service members and Veterans with service-connected disabilities and their families to ease the stress of transitioning to civilian life. Early intervention helps combat

² 2016 CACREP Standards <http://www.cacrep.org/wp-content/uploads/2017/08/2016-Standards-with-citations.pdf>

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, better adapt and work with their service and non-service-connected disabilities. 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.

VetSuccess on Campus (VSOC)

The VSOC program supports a population of nearly 86,000 Veterans at 104 campuses nationwide. VSOC provides outreach and transition services to student Veterans during their transition from military service to college. VSOC eases the transition and ensures the coordinated delivery of benefits and services to Service members, Veterans and their eligible dependents. The mission of the VSOC VRC is to liaise with school certifying officials and other school officials, perform outreach and communicate with Veterans to ensure their health, education and benefit needs are met. The program enables student Veterans to stay in college to complete their degrees and enter career employment. VSOC enables student Veterans to stay in college to complete their degrees and enter career employment by assisting them with applying for VA benefits; coordinating with school officials on behalf of the student Veterans; and providing adjustment counseling and referrals throughout the student Veterans' degree program. For example, VSOC Counselors assist student Veterans in comparing and applying for VA education benefits alongside career counseling services to ensure those benefits are used wisely. Adjustment counseling provides support for acclimating to unforeseen challenges and referrals are made for financial aid, healthcare, campus disability services and other community resources.

VSOC Counselors responded to 68,208 issues or follow-ups from over 23,000 student Service members, Veterans and dependents through the VSOC program in 2021. The issues reported by students included questions about financial aid, debt management, VA education benefits, mentoring and tutoring requests, healthcare referrals, employment assistance, professional counseling and assistance with VA claims. The support of the VSOC program is crucial in ensuring VR&E promotes and monitors the special mission. VBA currently has over 250 requests for VSOC Counselors on college campuses. Of those 250 requests, 61 schools meet the minimum criteria of 800 attending student Veterans.

VBA Central Office (VBACO)

VR&E employs 106 FTE in 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, Tennessee, and one is based in Orlando, Florida. VR&E is currently executing more than 23 modernization efforts across the enterprise. Major modernization initiatives include Electronic Virtual Assistant (e-VA), Case Management Solution (CMS), Invoice Payment Processing System (IPPS), Centralized Mail (CM), Active Folder Scanning and Tele-counseling. The Operations Division consists of 16 FTE and conducts support to the field. They also manage more than 25 multiyear contracts valued at more than \$75 million that are related to modernization. These initiatives present new and challenging requirements which increase the demand on VR&E to provide support to field staff.

Oversight

The overall mission of the VR&E Quality Assurance (QA) program is to drive continual improvement by ensuring quality services, identifying best practices and fostering consistency in service delivery. The QA Oversight Team monitors field operations by conducting site visits at each RO. This ensures the provision of services to Veterans and their dependents are consistent with laws, regulations, manuals, circulars, program policies and other directives.

The QA Oversight Team collaborates with District Offices in overseeing each RO. VR&E site visits were conducted at only 12 ROs per year prior to 2021 but will now be conducted annually at all 56 ROs. District Offices will conduct the on-site visits, while VR&E provides the analysis of the data and information to identify risks or areas of concern in a joint report. The expanded site visits will increase oversight, allow for earlier intervention when issues arise and increase consistency of service delivery. This helps identify trends and best practices, which are then shared nationally. When the need arises for a more in-depth review or intervention, VR&E will travel to the RO and assist the District Offices.

Travel was impacted during the COVID-19 pandemic. To ensure sufficient oversight of VR&E's ROs, the Oversight Team conducted virtual site visits and collaborated with the District Offices to conduct Collaborative Supportive Visits (CSVs). VR&E's QA Oversight team conducted 19 CSV's and one Special Site Visit in 2020 and 11 site visits (all virtual) and 15 CSVs in 2021. The QA Oversight Team is scheduled to conduct eight oversight visits (conducted over three days) and four traditional site visits (conducted over five days) each year in 2022 and 2023. Oversight visits are conducted when an issue is raised that warrants a closer look, additional review or intervention. These site visits are conducted in-person at ROs and are the most in-depth review conducted by the QA Oversight Team. Areas reviewed are program management, operations and service delivery. District Offices will conduct approximately 18 site visits each year in 2022 and 2023.

Compliance

The Compliance Team, consisting of 14 FTE, conducts case reviews to assess the quality of services provided. Approximately 13,536 National Quality Assurance (QA) reviews (also known as Systematic Technical Accuracy Reviews (STAR)) will be completed each year in 2022 and 2023. The Compliance Team is also responsible for overseeing approximately 52,968 Local QA reviews to assess the performance of individual employees. The results of these reviews are used to identify trends and training needs.

National QA reviews assess the accuracy of entitlement and outcome decisions, fiscal activity and service delivery. VR&E uses a statistically valid sampling methodology for National QA. The statistical methodology considers the population size, past performance confidence level (CL) and margin of error (MOE). The formula used is provided in GAO's Veterans' Disability Benefits: Improvements Could Further Enhance Quality Assurance Efforts (Publication No. GAO-15-50). A 95% CL is the level commonly used by researchers and is considered the industry standard. In recent years, VR&E used a 90% CL and 5% MOE but increased the CL to 95% in 2022. This has resulted in an average of 1,215 reviews per month, or 445 above the previous 760 reviews completed.

Policy and Procedures

The Policy and Procedures Team, consisting of five FTE, recommends policies, procedures and regulations which govern the VR&E program and 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), requires policy and procedural changes to be developed and implemented before training of VR&E office and field staff. VR&E implemented all provisions of this Act during 2021 via notification to field offices and updates to the procedural manual (M28C) on April 23, 2021, and July 30, 2021, respectively.

Direct Service Delivery

The Direct Service Delivery Staff (DSDS) consists of 964 FTE who are mostly VRCs or Counseling Psychologists. Their 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. They are also 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 who are now returning to employers for whom they worked previously.
- Rapid Access to Employment: for Veterans who are 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 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. Specifically, Employment Rehabilitations are achieved when the participant has successfully adjusted to or obtained suitable employment in the same or closely related occupation. Education Rehabilitations are achieved when the participant has completed the program and is considered employable in a suitable occupation but chooses to return for additional education at their own direction. A Maximum Rehabilitation Gain is achieved when the participant is employed, and VR&E was a contributor to the participant obtaining or maintaining employment in a suitable occupation. In 2021, there were 17,875 positive outcomes, exceeding VR&E's target of 17,000:

- 10,652 Employment Rehabilitations
- 850 Educational Rehabilitations
- 389 Independent Living Rehabilitations
- 5,247 Maximum Rehabilitation Gains/Employable
- 737 Maximum Rehabilitation Gains/Employed

Workload

The eBenefits Enterprise Veterans Self-Service Portal (EVSS) provides an automated interface for eligible participants to apply for Chapter 31 counseling services. VR&E transitioned to VA.gov in April 2021 to align with the CMS pilot kickoff date. This is the new application system providing an eligibility wizard and an orientation express video to assist applicants.

Projected VR&E Workload and FTE Requirements	2020	2021	2022 Estimate	2023 Estimate
Direct Labor FTE	1,458	1,493	1,628	1,628
Actual Participants*	123,490	125,144	135,444	137,958
Increase in Actual Participants (over previous year)	1%	1%	1%	1%
Positive Outcomes**	16,216	17,875	TBD	TBD

*Participants include all Veterans who were in a rehabilitation plan of service or an extended evaluation plan during 2021, including those who were successfully rehabilitated or who discontinued their program of services in 2021.

**Estimates will not be available until later in 2022, after the performance target workgroup convenes in June.

Performance Measures

The 2023 requested resources support five approved performance measures monitored by OMB:

- Positive Outcomes: As of September 2021, 17,875 outcomes, which exceeded the target of 17,000
- Program Participation Rate: As of September 2021, 32,928 new plans developed, which exceeded the target of 30,431
- Accuracy of requirements in closing a Veteran's case or declaring the Veteran rehabilitated or discontinued: As of September 2021, VR&E finished with a 96.4% accuracy rate, slightly below the target of 97%
- 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: As of September 2021, VR&E averaged 31.5 days in notification, better than the target of 45 days
- Adherence to 1:125 VRC to Veteran ratio: As of September 2021, the ratio was 1:120, which is better than the mandatory ratio of 1:125

Highlights and Achievements

VR&E's 2022 request is aligned to the following VA priorities:

Providing Veterans with Earned Benefits

VR&E Electronic Virtual Assistant (e-VA)

VR&E is leveraging artificial intelligence through e-VA, which provides faster, easier and more useful communication between participants and VR&E staff. e-VA breaks down communication barriers by enabling Veterans to connect faster with their Counselors using their smartphone, tablet or computer. e-VA allows Veterans to ask questions and receive timely responses, submit documentation, schedule appointments and receive automated alerts and reminders. e-VA stands as the bidirectional communication vehicle for more than 126,000 program participants. VRCs leverage e-VA for balancing caseload and managing participant interactions and correspondence. Claimant adoption rate of e-VA is over 96%. Additionally, the e-VA application documented over eight million case notes since deployment. The automation of case notes improves the quality, timeliness and accuracy of the participant case file.

VR&E ensures the safety of Veteran personally identifiable information (PII) by incorporating strict security control measures that are utilized by field office staff, contractors and central office staff. Those security control measures include: the use of Single Sign On Internal (SSOi) authentication for all VA personnel and contractors who access the e-VA platform; access verification for any/all users accessing the e-VA platform; email encryption capabilities; and ensuring that staff remain current on all VA Privacy and Information Security Awareness and Rules of Behavior.

Veteran data is kept secure by utilizing a private cloud-based system that allows all data to be transmitted between systems without that data leaving the VA network. This workflow process creates consistency in data transmission practices, and VA OIT personnel have control over which data is passed through and if any security concerns are present.

The virtual assistant also employs sentiment tone analyzer technology. The Sentiment Analyzer and Tone Interpreter (SATI) 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.

SATI will help VR&E in meeting its mission goals by assisting field staff in identifying key areas of satisfaction and dis-satisfaction amongst VR&E's Veteran population. The ability to address key Veteran concerns early in the rehabilitation process will mitigate incidents of premature program discontinuance and improve positive Veteran outcomes.

Case Management Solution (CMS)

VR&E is collaborating with the Office of Strategic Program Management (SPMO) and MITRE Corporation to procure a case management solution contract for a base plus nine option years. The acquisition for this contract will begin in the second quarter of 2023. These improvements will allow more time for high-quality counseling and employment services. The case management solution will integrate VR&E's other modernization initiatives and leverage rules-based processing and automation to streamline business processes to allow counselors to manage workload more efficiently and effectively.

VA Video Connect (VVC)

VR&E is using tele-counseling through the VVC 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 in 2019 and completed nearly 19,000 appointments during the first year. In 2020, that number grew to over 106,330 tele-counseling appointments. VR&E continues to utilize VVC to reach Veterans and has scheduled over 197,000 tele-counseling appointments since the COVID-19 pandemic began.

Since the onset of COVID-19, the ability to pivot from a brick-and-mortar operation to a virtual posture overnight was facilitated through the capabilities of VVC. This platform enabled continuity of operations and determined the baseline for managing business virtually. Expanding access to tele-counseling will be another avenue to deliver VR&E benefits more efficiently. It saves time and funds by reducing travel requirements for both Veterans and VRCs and improves access for Veterans with mobility issues.

Invoice Payment Processing System (IPPS)

OMB Memorandum M-15-19, issued July 17, 2015, required VR&E to use an electronic authorizing and invoicing system for a program participant's tuition, books and fees. IPPS transformed VR&E's authorization and invoice processes, improving reporting capabilities and providing oversight of service provider payments at the enterprise level. IPPS reduces the time it takes staff to make payments, eliminates paper invoice processing for Veterans' tuition, books and fees and increases the percentage of on-time payments, all which mitigate potential gaps for Veterans to continue in their programs. In 2021, VR&E paid over 181,000 invoices for over \$698 million, with 99% of invoices paid in less than 60 days and 99% of invoices paid in less than 30 days. VR&E has exceeded \$1 billion in IPPS payments since it was launched in 2019.

Career Assessment Tool

VR&E secured and 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 VRC 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. Over 43,000 assessments were completed in 2021.

Competency-Based Training System (CBTS)

VR&E worked with Human Capital Services to deploy the third year of the VRC CBTS in 2021. 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.

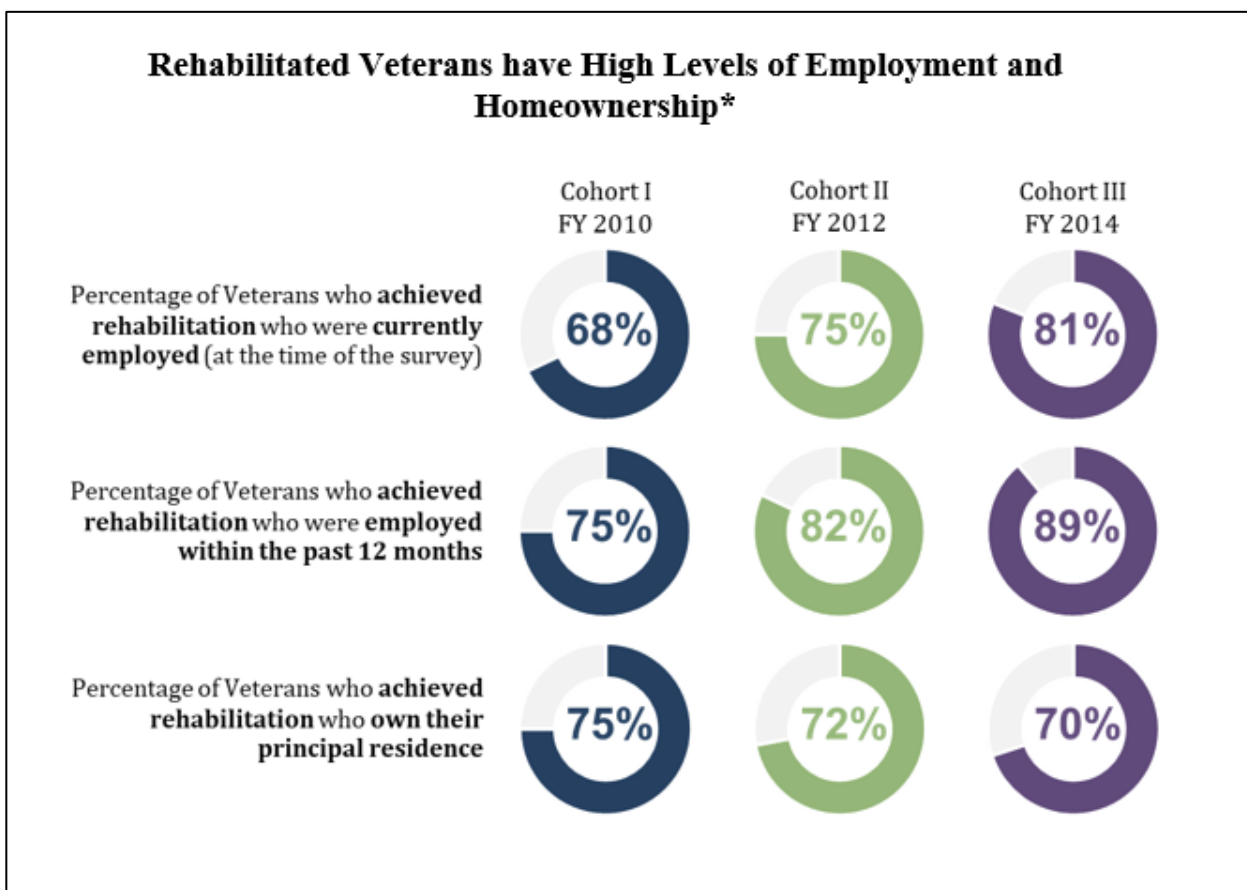
Ensuring Strong Fiscal Stewardship

Longitudinal Study

VR&E will continuously analyze trends among Veterans receiving services and improve and adapt services to their changing needs. 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. The study design allows for comparison across the three cohorts. The primary focus is on the long-term employment and standard of living outcomes for VR&E participants after they exit the program. A "rehabilitated" Veteran 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.

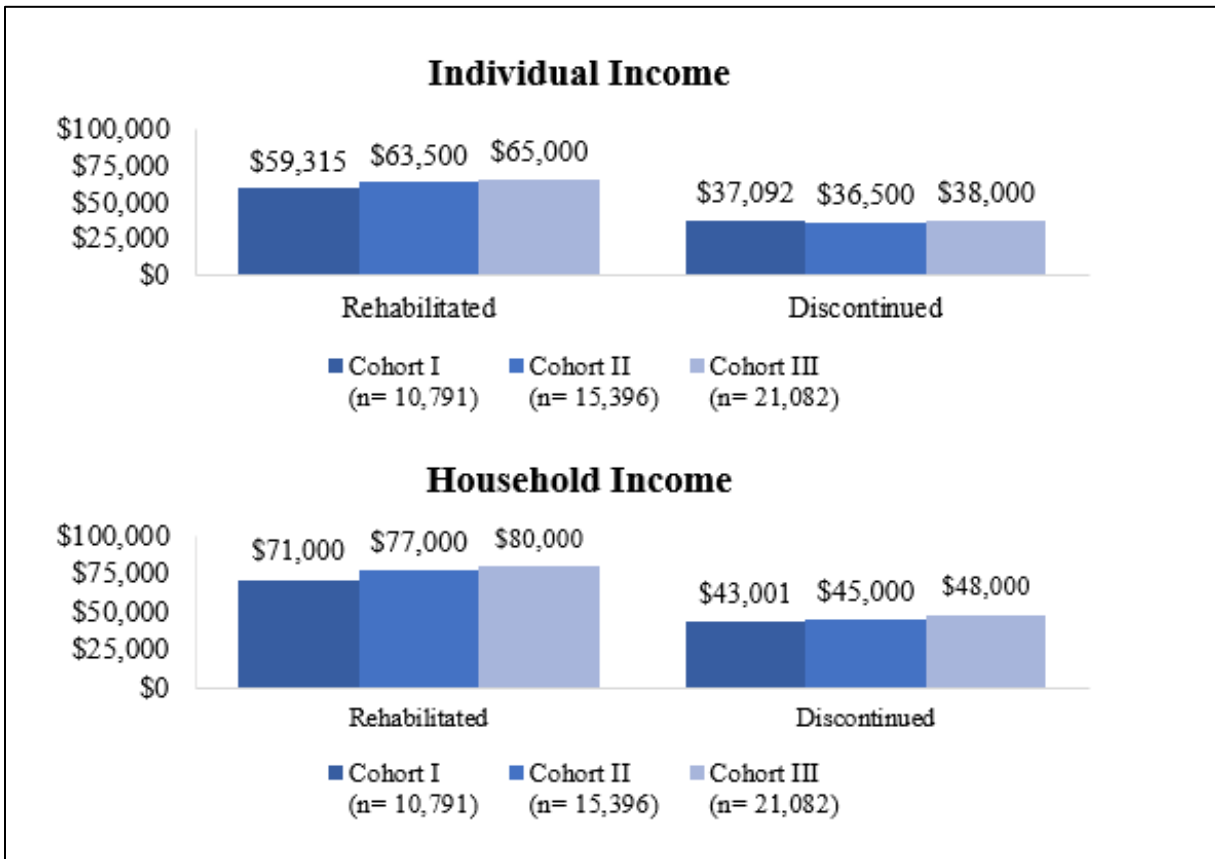
Rehabilitated Veterans have High Levels of Employment and Homeownership*



*United States population is 64.6%.³

Veterans who have achieved rehabilitation reported higher annual income amounts than discontinued participants – at least \$22,000 higher for individual income and at least \$27,000 for household income.

³U.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>



N = Number of individuals in each cohort

A key finding of the study is that regardless of the length of time since a Veteran has been rehabilitated, they report achieving better employment and standard of living outcomes than those who discontinued services.

Fostering a Culture of Collaboration

VR&E stakeholders include Service members, Veterans, Guard and Reserve members, as well as dependents of certain Veterans. Partners include the Veterans Health Administration (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 has added a new function for monitoring performance data at the station level. This provides the following:

- Data to optimize performance and share best practices
- Identifying areas of concern when assistance might be required
- Understanding resource and operational issues
- Ensuring modernization initiatives are being implemented
- Support and enhancement of customer service outcomes

Field Liaisons communicate with stations on a weekly basis to provide support and guidance in driving performance from a proactive standpoint. This identifies performance gaps early; ensures compliance with policies, procedures and modernization initiatives; and ensures all stations are providing the best customer service.

The Field Services Team provides:

- Increased communication and rapport with the field and strengthened collaboration with the field and District Managers, including monthly meetings with District Offices
- Weekly reports to the field on their progress
- Action plans to broker cases to ensure all stations can assist Veterans and meet their targets
- Additional guidance, support and clarification on changes in work due to COVID-19
- Briefings to VR&E Executive Director on each station's performance, support needs, guidance requirements and current concerns from the field staff
- Special case reviews and training
- Best practices among the stations

Commission on Rehabilitation Counselor Certification (CRCC)

VBA continues to strengthen its partnership with CRCC. CRCC allows eligible VR&E Counselors to request reimbursement or sponsorship for application and renewal fees. VR&E supports VHA's Employee Education System that offers CRCC accreditation, continuing education credits and just-in-time verification forms of all VHA and VBA employees.

Suicide Prevention

Suicide is a national health concern and VA believes 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 all VRCs are educated on suicide prevention and are prepared to help a Veteran experiencing signs of distress.

VR&E established a partnership between e-VA and the Veteran Crisis Line (VCL) in 2021. 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 no Veteran misses the opportunity to receive care after a mental health crisis and establish a "Continuation of Care" model that ensures follow-on support will be available.

Non-Paid Work Experience (NPWE) Program

The NPWE, specific to the VR&E Program, provides Veterans who might lack suitable work experience an opportunity to gain valuable skills in positions aligning with their interests, providing training and practical job experience. A NPWE is developed within a facility of any agency in federal, state or local (city, town, school district) government. In some situations, VR&E Service establishes a national collaborative Memorandum of Understanding (MOU) with the governmental agency addressing the elements of the NPWE program. This MOU is shared with VR&E field staff who then connect with the local staff from the governmental agency and establish the NPWE locally. In other situations, the employment coordinator may establish an NPWE locally

for VR&E participants in their RO. 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. In 2021, VR&E had 482 participants that participated in a NPWE program with 94 in 2022 to date. Although there is no guarantee that a participant will be hired after the NPWE, they do, receive valuable work experience and develop employment references that can assist them with other employment opportunities.

Chapter 31 National Contracts

To improve the employee experience, provide additional support and render timely services, VBA continues to procure supplementary VR&E services by contract. These Chapter 31 national contracts provide VR&E with support services on an as-needed basis for Initial Evaluation and Assessments, Case Management, Employment Services and Educational/Vocational Counseling. This allows VR&E to provide surge capacity during peak retirement and separation timeframes.

Each of the awarded contracts has a direct and positive impact on those Veterans participating in the VR&E program. These impacts can be seen at the RO level by improvements in the Counselor to Veteran ratio. The Counselor to Veteran ratio is maintained at a reasonable level with the utilization of contracted Counselors to ensure timely delivery of benefits when the station needs additional support serving Veterans. The Counselor is the cornerstone of the Veteran experience within VR&E; expanding the ability of Veterans to interact directly and frequently with a Counselor to receive guidance, recommendations and support dramatically increases positive outcomes. VR&E closely monitors the utilization of the contracts at each station and collects feedback regarding the contractor’s performance and ability to provide services. Adjustments are made based on needs and utilization each year.

Outreach & Marketing

VR&E, previously referred to as “Vocational Rehabilitation and Employment”, implemented its new name and rebranded the program in 2020 as “Veteran Readiness and Employment.” This name change was established by final rule effective February 2022.

VR&E continued to market its new name and other major program information in 2021 via a variety of platforms to include social media and blogs. In 2021, there were 71 social media posts (Facebook, Twitter and Instagram) and 26 blog posts communicating information on program initiatives and major celebratory events like the National Rehabilitation Counselor Appreciation Day and employment events.

Veterans Orientation Express (VOX)

VR&E launched the VOX web-based tool and video series designed to enhance the Veteran experience in 2021. Creation of this tool was a collaborative effort between VR&E and the Office of Strategic Engagement’s VA.gov team. The effort also included user acceptance testing with Veterans and Service members before the tool was officially launched. The VOX is embedded in VR&E’s application and guides Service members, Veterans and their dependents through a series of questions to help them understand and determine their eligibility. If the individual appears eligible, the tool guides the applicant through a series of videos explaining each of VR&E’s Five Tracks to Employment, which empowers the individual to make an informed choice about the

benefit they are applying for. The videos can be viewed using this link: [Veteran Readiness and Employment Orientation | Veteran Affairs \(va.gov\)](#).

Employment Services Modernization

VR&E has shared over 1,900 job leads/employment events with field staff. Over 600 were virtual/remote job leads or events. This contributed to over 10,000 employment rehabilitations for 2021.

VR&E created several MOUs focusing on NPWE opportunities. These provide Veterans with training and practical job experience toward employment with government entities. MOUs have been and are being developed with the Department of Transportation, Department of Homeland Security, Department of Interior, National Park Service, Internal Revenue Service, Department of Health and Human Services, Centers for Disease Control, USDA and the Council of State Administrators of Vocational Rehabilitation (CSAVR). VR&E developed 482 NPWE opportunities in 2021.

VR&E has continued its long-standing relationship with the Department of Labor (DOL), focusing in the areas of job placement services and the provision of targeted labor market information. This partnership expanded to DOL's Office of Apprenticeship, focusing on increasing the utilization of registered apprenticeships within the VR&E program and has resulted in a nine-month Apprenticeship Pilot at six ROs. The training on apprenticeships has now been formally recorded and added to the annual training curriculums for all professional field staff members. One of the major elements that was highlighted in the training is that apprenticeships are no longer just in the trade industries, but now cut across many employment sectors to include information technology, public administration, health care and social services, finance and insurance. The DOL VETS/VR&E Joint Work Group is beginning to work on developing protocols for addressing the needs of making referrals to the State Joint Work Force personnel on a national level.

VR&E partnered with Microsoft and hosted the first Employment Career Event in 2021. The focus of the event was on professional positions in the areas of Computer Science, Business, Program/Management Analyst, IT (A+, Net +, Security +, etc.), Technology, Customer Service/Support and Software Engineering. It highlighted 33 of VR&E's business partners. The event was attended by 2,649 Service members and Veterans, including 1,167 VR&E participants.



Insurance

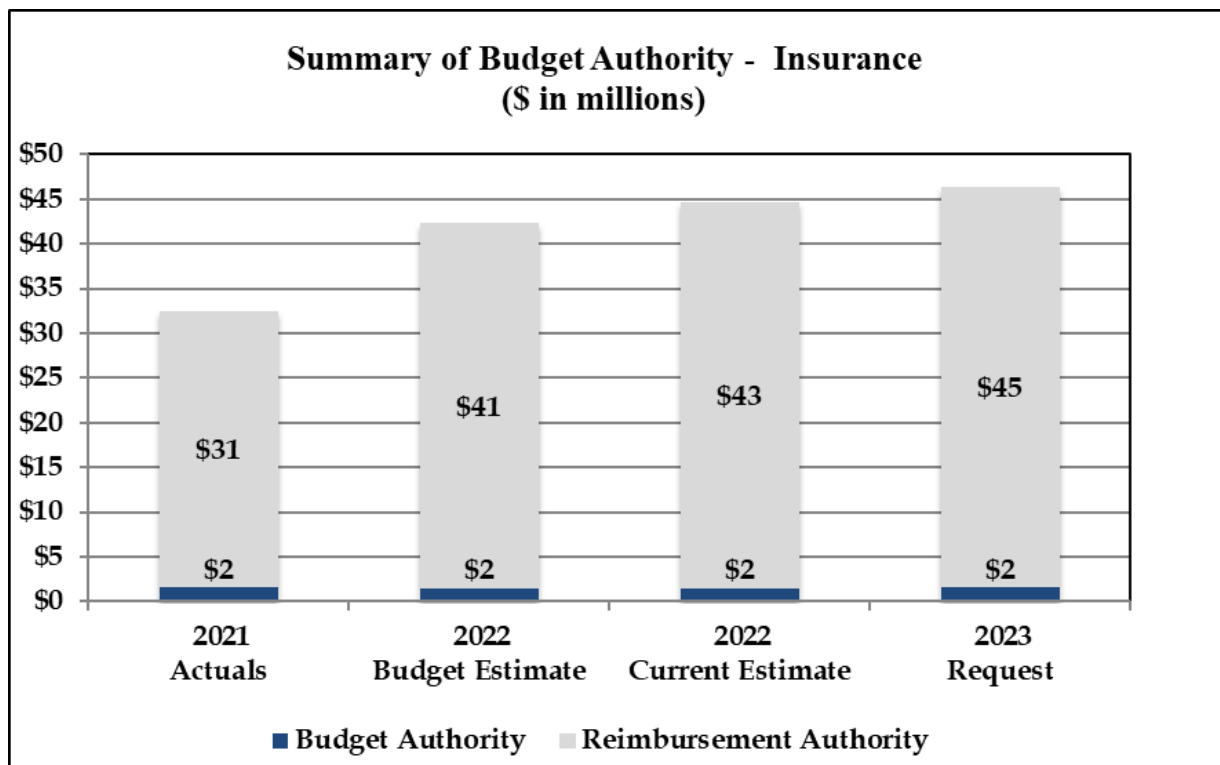
Mission

To provide our Nation’s Veterans, Servicemembers and Military Families insurance products and services.

Summary of Budget Authority

2023 Budget Authority Request: \$1.6 million

Change over 2022 Current Estimate: + \$61,000 / + 4.0%



Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President’s Budget request for discretionary appropriation at the topline level. Some program levels have been adjusted within that topline.

Summary of Budget Request

VA requests \$1.6 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 \$46.4 million in 2023. This request will enable Insurance to continue administering valuable life insurance benefits programs to Veterans, Servicemembers and their families. It funds

administrative expenses for 341 full-time equivalent (FTE) who, answer insurance inquiries from Veterans, 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.

Insurance					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2021	2022		2023	2023 - 2022
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct	268	331	322	322	0
Management Direction and Support	22	21	19	19	0
Total FTE	290	352	341	341	0
Obligations					
Personal Services (without overtime)	\$30,066	\$38,004	\$37,892	\$39,635	\$1,743
Overtime	\$129	\$100	\$100	\$105	\$5
Travel	\$2	\$91	\$61	\$91	\$30
Interagency Motor Pool	\$0	\$6	\$5	\$5	\$0
Transportation of Things	\$0	\$0	\$0	\$0	\$0
Rent, Communications & Utilities	\$2,048	\$2,532	\$2,485	\$2,544	\$60
Printing	\$40	\$38	\$38	\$38	\$0
Other Services	\$244	\$1,212	\$3,701	\$3,661	-\$40
Supplies and Materials	\$19	\$87	\$87	\$89	\$2
Equipment	\$7	\$252	\$252	\$252	\$0
Insurance Claims	\$0	\$0	\$0	\$0	\$0
Total Administrative Obligations	\$32,555	\$42,322	\$44,621	\$46,420	\$1,799
Reimbursements	-\$30,950	-\$40,798	-\$43,097	-\$44,835	-\$1,737
Net Appropriation	\$1,605	\$1,524	\$1,524	\$1,585	\$61
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$1,605	\$1,524	\$1,524	\$1,585	\$61
Outlays (net)	\$1,565	\$1,446	\$1,446	\$1,538	\$92

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

Changes from Original 2022 Estimate

Direct FTE decreased by nine due to re-estimates of the oversight and quality assurance staff requirements for the implementation of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Improvement Act of 2020 (P.L. 116-315), which closes the Service-Disabled Veterans Insurance (S-DVI) program effective December 31, 2022, and replaces it with the new Veterans Affairs Life Insurance (VALI) program effective January 1, 2023. Management, Direction and Support FTE decreased by two due to the centralization of Insurance's outgoing mail functions to the Government Printing Office print vendor, which reduces local mail room support requirements. Travel decreases by \$30,000 to better align with historical travel expenditures. Other Services increase by \$2.5 million as a result of a new contract requirement that supports the establishment and execution of a marketing campaign for the VALI insurance program. The marketing campaign will reach approximately five million Veterans with service-

connected disability compensation ratings, Servicemembers, and other stakeholders in order to maximize enrollment in the first two years of the new program.

Changes from 2022 Current Estimate to 2023 Request

Total administrative obligations increased \$1.8 million from the 2022 current estimate. This includes a projected increase of 4.6% in pay and 2.0% for non-pay inflation. Travel increases by \$30,000 to account for additional travel for implementation and support of the VALI program. Rent, Communications and Utilities increased by \$59,000 primarily due to an increase in Postage resulting from the projected increase in the number of death claims. Other Services decreased by \$40,000 primarily due to a projected decrease in project management contract requirements for the VALI program.

Program Description⁴

VA offers life [insurance coverage](#) at competitive premium rates for Veterans that complements the coverage provided while in the uniformed services. 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 Servicemembers' and Veterans' beneficiaries upon the insured's death:

- Servicemembers' Group Life Insurance (SGLI) provides up to \$400,000 of group 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. 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 Military, Naval, Air Force, and Coast Guard Academies
 - Ready Reservists scheduled to perform at least 12 periods of inactive training per year
 - Members of the Individual Ready Reserves (IRR) who volunteer for assignment to a mobilization category

- Servicemembers' 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.

⁴ See the Insurance Benefits chapter within Part 3 of Volume III for more information on Insurance Programs

All Service members who have SGLI coverage are automatically covered by TSGLI through a \$1 premium insurance rider.

- Family Servicemembers' Group Life Insurance (FSGLI) coverage is available only for spouses and children of members insured under the SGLI program.
- VGLI provides for conversion of SGLI coverage to a renewable group term life insurance policy after a Service member's separation from service. Applications for coverage received within 240 days from separation are automatically approved with no health review. Applications received between 241 days and one year and 120 days from separation are still considered for coverage; however, a health review is required prior to approval. Coverage is available for the following members:
 - Full-time SGLI insured who are released from active duty, Reserves, or National Guard
 - 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 speech⁵
- 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 percentage 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 and on or before December 31, 2022

⁵ 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.

- Note: In accordance with P.L. 116-315, this program will not issue new policies after December 31, 2022
- VALI offers up to \$40,000 (in increments of \$10,000) of guaranteed acceptance whole life coverage to all service-connected Veterans under age 81. No medical underwriting is required for enrollment. Veterans age 81 and older who apply for VA Disability Compensation before age 81 and receive their rating after turning 81 years of age, are also eligible to apply for the insurance. This program will become effective January 1, 2023.
- VMLI provides up to \$200,000 in mortgage protection insurance that can help families of severely disabled Service members or Veterans pay for their home mortgage in the event of death. Veterans must apply for VMLI before their 70th 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;
 - 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 serviced by the VA for existing policyholders; however, new policies are no longer issued.

Workload

Insurance Workload and Direct FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Insurance Direct Labor FTE	269	268	322	322
Death Claims	79,938	78,966	76,590	83,100
Loans and Cash Surrenders	30,761	27,498	36,390	35,470
Telephone Calls Answered	431,915	397,479	434,710	489,510
S-DVI & VMLI Applications	27,330	22,626	37,680	9,240
VALI Applications	n/a	n/a	n/a	250,000
All Other Insurance Maintenance Actions	168,914	166,657	164,450	278,340

Insurance employs 322 direct employees in Philadelphia, Pennsylvania. Insurance operations personnel include: claims examiners who will support 250,000 insurance applications and 83,000 death claims in 2023; insurance specialists who will handle nearly 500,000 calls to the Insurance Customer Service Center; clerks who will triage approximately 300,000 incoming applications/correspondence a year for processing; financial accounts technicians who will assist in processing 278,000 maintenance actions (i.e. correspondence reviews, policy updates, etc.); and specialists who provide outreach efforts to 30,000 disabled Veterans annually to inform them of their potential insurance options. The increase in insurance applications, death claims, telephone calls responded to, and maintenance actions is a result of the implementation of the VALI program. VBA's quality assurance staff reviews 100% of employee-generated death claim disbursements

prior to release and monitors system-generated disbursements. This staff is a major factor in Insurance’s ability to exceed a 98% accuracy rate for disbursements.

The Stakeholder Engagement and Mission Support staff is one of three Central Office components of the Insurance business line. Stakeholder Engagement and Mission Support oversees work in enterprise risk management, budget, accounting, business system support, stakeholder engagement, and strategic communication. The second Central Office component is Program Administration, which oversees work in performance management, data analytics, training, policy, procedures, innovation, program quality and program oversight. The third Central Office component is a local Actuarial staff. The co-location of Stakeholder Engagement and Mission Support, Program Administration, the Actuarial team and the 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.

VBA no longer issues new policies for USGLI, NSLI, VSLI, and VRI. Insurance’s workload trend is expected to shift in 2023 as the S-DVI program closes effective December 31, 2022, and the VALI program begins January 1, 2023. Workload associated with the closed legacy insurance programs will continue to decline, while workload related to the new insurance program (VALI applications, calls, death claims, and maintenance actions) will increase. The VALI program expands the pool of service-disabled Veterans eligible for coverage by eliminating the medical underwriting requirement and the two-year application window that exists under the S-DVI program. As a result, Insurance anticipates increased interest, which could potentially result in 250,000 applications related to the new program in 2023. Direct FTE requirements therefore increase in 2022 in preparation for the workload increase.

Performance Measures

In 2023, Insurance will continue to provide world-class service to our Veterans, Service members and military family stakeholders. VA will process nearly 120,000 disbursements with timely and accurate performance, the Insurance Call Center will answer approximately 500,000 calls, and VA anticipates processing 250,000 new policy applications.

Insurance Performance Measures	2019 Actual	2020 Actual	2021 Actual
Average Speed of Answer	18 seconds	19 seconds	16 seconds
Accuracy of Disbursements	98.6%	98.1%	98.8%
Timeliness of Disbursements	3.7 days	3.0 days	2.8 days
Timeliness of New Business Applications	9.7 days	7.1 days	4.2 days

The 2023 requested resources support performance for 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, email, the Interactive Voice Response (IVR) system, social media, and the Insurance self-service website. Insurance has implemented several initiatives to achieve timely and accurate processing of disbursements. Veterans can now use an online document upload tool to quickly, easily, and

securely submit insurance documents. Additionally, Insurance is working to implement digital signing services to streamline claims processing and enhance security.

Insurance collaborated with the Veterans Experience Office (VEO) Enterprise Measurement and Design (EMD) Team to complete transition from an in-house paper-based surveying process to Veterans Signals (VSignals) as of December 2021. Insurance designates personnel to analyze customer experience findings and service recovery feedback monthly. This will identify trends and process improvement opportunities from the VSignals dashboard and other available tools. Direct outreach is 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.

The Department of the 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 prevent improper payments by identifying Veterans or beneficiaries who may have died. Early identification results in the need for less development of the claim and paying an alternative beneficiary more quickly.

Highlights and Achievements

VBA's 2023 Insurance budget request aligns with VBA's Strategic Goals to provide benefits in an exceptional manner. Achievements from 2021 that support these goals are highlighted below.

Providing Veterans with Earned Benefits

Insurance provides high-value life insurance benefits for Veterans, Service members, families 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 for first time resolution when possible. This improves overall timeliness of service delivery because telephone call issues are often addressed immediately, not referred for processing by another employee. In 2021, the Insurance Customer Service Center answered 88.3% of phone calls within 20 seconds. With an average speed to answer of 16 seconds, Insurance's Customer Service Center provided swift, reliable service, promoting trust with the Veterans we serve. For 2021, Insurance completed S-DVI application claims in an average of 4.2 days with 98.6% accuracy, which exceeds established Insurance industry performance metrics and provides high quality service further earning the trust of our Veterans. Insurance also completed disbursements actions in an average of 2.8 days for completed claims, surpassing the four-day goal with 98.8% disbursement accuracy.

Insurance has studied and implemented methods to improve timeliness of services and benefits. This includes the May 2021 launch of a new instant loan approval feature available online through the Insurance self-service website. It is available to over 350,000 Veterans with insurance policies that have a cash value and supports over 42,000 Veterans with loans. This modernized feature offers an advanced option for access to policy benefits via the web by automating the loan approval process and reducing manual steps.

Insurance further provides benefit awareness by proactively engaging Veterans with disability ratings to inform them of insurance options, placing 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 44,000 Veterans in 2021, with 11,211 Veterans, or 25%, obtaining VGLI or SGLI disability extensions.

Innovation

Insurance Service is modernizing its policy administration system from an in-house legacy mainframe platform to a commercial, cloud-based managed service solution. The new IT solution will empower employees and Insurance Service to be a more data-driven organization. Efficiencies include elimination of large data storage facilities, reduced need to hire specialty IT staff, lower overall cost for software/hardware, improved standardization across insurance products and improved data reporting capabilities.

In partnership with the Department of the Treasury's Bureau of the Fiscal Service, Insurance launched an e-bill solution via the website www.Pay.gov to send billing notices via email and collect payments electronically. Payees have the option to pay bills using electronic fund transfer, credit or debit cards, as well as other modern payment options. Insurance is leveraging this new platform to offer more secure and convenient options for Veterans to pay their insurance premiums or policy loan repayments online, with the goal of eliminating paper processing.

Insurance is also committed to improving data analytics and continues to partner with VBA's Office of Performance Analysis and Integrity (PA&I) on robust reporting tools that provide improved workload management.

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 available options.

Ensuring Strong Fiscal Stewardship

Insurance's discretionary expenses are primarily funded outside of appropriations and 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 2021, Insurance's proper payment rate was over 98%. 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 employee-generated insurance disbursements; using inter-agency data matches 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 Improper Payment legislation and Office of Management and Budget (OMB) guidance.

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, Congress, Veterans Service Organizations, the public, the private sector, and the 11 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 a 90-day extension of the application period for VGLI was published in the Federal Register on October 7, 2020. Veterans may be impacted financially or by the inability to see their doctor to obtain medical records to establish eligibility. As a response, Insurance initially extended the period for transitioning Service members to apply for VGLI for applications received from June 11, 2020, through June 11, 2021. Subsequently, after studying the positive impact of this extension, Insurance established rulemaking to extend this time period further through December 11, 2021. To implement and socialize the change, VA worked with the uniformed services, VSOs, VA transition programs, and other partners. The extension of the VGLI application deadlines has helped recently separated Service members to continue the life insurance coverage amounts they carried while on active duty.
- Insurance partnered with the uniformed services and the DoD Defense Manpower Data Center (DMDC) through the SGLI Online Enrollment System (SOES) Configuration Control Board to prioritize and implement system changes, including online application for active Service members to manage their SGLI coverage and beneficiary elections. The system increases efficiency by reducing errors inherent to previous paper-based processes and time needed to complete and file paper forms. SOES assists Servicemembers by providing them a means to manage their SGLI elections from any location, 24 hours a day. Upcoming enhancements to this system will allow further automation and improve efficiency, including automating the submission of medical underwriting applications to the primary insurer.

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**Office of Outreach, Transition and Economic
Development**

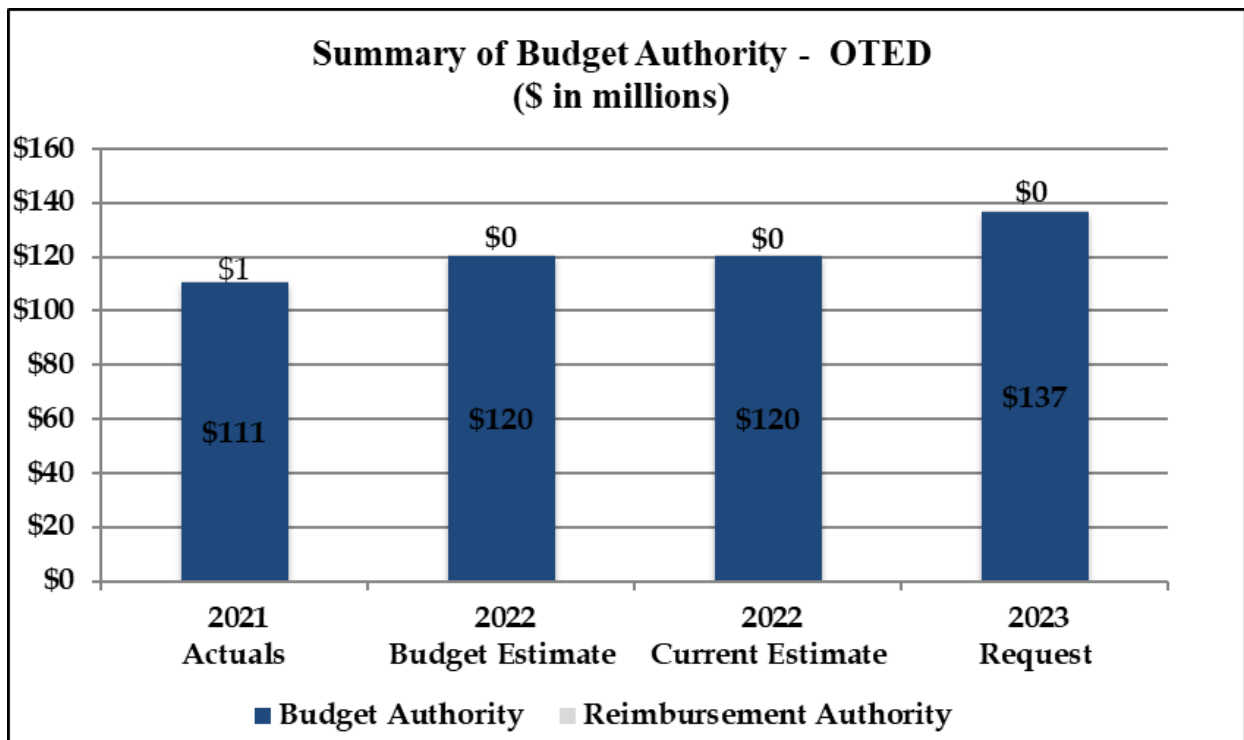
Mission

Collaborate, inform and advocate for Veterans, transitioning Service members, survivors, family members and all eligible beneficiaries by highlighting pathways to VA benefits and services to facilitate sustained successful connections.

Summary of Budget Authority

2023 Budget Authority Request: \$136.6 million

Change over 2022 Current Estimate: + \$16.2 million / + 13.4%



Note. -- A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President’s Budget request for discretionary appropriation.

Summary of Budget Request

VA requests \$136.6 million in budget authority to fund the discretionary portions of Outreach, Transition and Economic Development (OTED), to include administrative expenses for 242 full-time equivalent employees (FTE) to support programs designed for transitioning Service members (TSMs), Veterans and their families to achieve their personal goals and sustain economic success and total well-being.

Outreach, Transition and Economic Development Summary of Discretionary Appropriation Highlights (\$ in thousands)					
	2021	2022		2023	2023 - 2022
Discretionary	Actuals	Budget Estimate	Current Estimate	Request	Increase(+) Decrease(-)
	Obs	Obs	Obs	Obs	Obs
FTE					
Direct	180	162	162	226	64
Management Direction and Support	19	16	16	16	0
Total FTE	199	178	178	242	64
Obligations					
Personal Services (without overtime)	\$17,788	\$18,275	\$18,275	\$27,709	\$9,434
Overtime	\$50	\$50	\$50	\$50	\$0
Travel	\$39	\$46	\$46	\$47	\$1
Interagency Motor Pool	\$0	\$6	\$6	\$6	\$0
Transportation of Things	\$1	\$1	\$1	\$1	\$0
Rent, Communications & Utilities	\$223	\$227	\$227	\$232	\$5
Printing	\$4	\$4	\$4	\$4	\$0
Other Services	\$90,249	\$98,896	\$98,896	\$105,568	\$6,672
Supplies and Materials	\$13	\$13	\$13	\$13	\$0
Equipment	\$2,951	\$3,019	\$3,019	\$3,079	\$60
Insurance Claims	\$0	\$0	\$0	\$0	\$0
Total Administrative Obligations	\$111,318	\$120,537	\$120,537	\$136,709	\$16,172
Reimbursements	-\$659	-\$136	-\$136	-\$136	\$0
Net Appropriation	\$110,659	\$120,401	\$120,401	\$136,573	\$16,172
Rescission	\$105	\$0	\$0	\$0	\$0
Total Appropriation	\$110,764	\$120,401	\$120,401	\$136,573	\$16,172
Outlays (net)	\$102,893	\$117,757	\$117,757	\$132,476	\$14,719

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

Changes from Original 2022 Estimate to Current 2022 Estimate

Total obligations did not change from the original 2022 estimate.

Changes from 2022 Current Estimate to 2023 Request

Total administrative obligations increase \$16.2 million from the 2022 current estimate to the 2023 request. The 2023 request includes an additional 64 direct FTE, as well as funding for the Disability Employment Pilot Program and the Clean Energy Veterans Job Training Program. It also reflects a projected 4.6% pay increase and 2.0% non-pay increase to account for inflation.

The additional direct FTE will support outreach related to anticipated increased environmental exposure workload for the following respiratory conditions: rhinitis, sinusitis and asthma. The request also includes resources to implement the Veteran Transitional Assistance Grant Program under the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), Section 4304. This section requires that VBA establish a program to administer grants to local organizations that can assist Veterans with their transition. The four additional FTE for the program includes one Chief and three analysts.

Program Description

OTED is dedicated to informing Veterans, Service members, survivors and eligible beneficiaries about VA benefits and services; easing a Service member's transition from the military to civilian life; and collaborating with interagency or non-governmental organizations, community partners and Veterans Service Organizations (VSOs) on all levels. In 2021, VBA consolidated all outreach, communications and engagement activities, whether they occur before, during or after transition, under OTED to ensure a more wholistic approach to Veteran engagement.

Outreach (Traditional and Virtual)

Under 38 U.S.C. § 7703 (5), VBA is designated as the responsible administration within the Department for outreach programs and other Veterans' services programs. This includes the responsibility of informing Service members, Veterans and eligible beneficiaries about the benefits and services for which they may be eligible. The goal of the outreach team is to develop and deliver a continuum of effective, customer-focused outreach programs; activities; and content that engages and empowers diverse stakeholders to understand how to access and apply for VA benefits and services.

Access to VA benefits information, services and claims assistance is critical to ensuring that Service members, Veterans, their families and other eligible beneficiaries are aware of and receive the benefits they have earned. VBA develops and delivers customer-focused outreach events such as conferences, symposiums, townhalls and stakeholder roundtables that engage and empower stakeholders. VBA distributes printed marketing materials, such as brochures, facts sheets, pamphlets and flyers, which contain information about all available VA benefits and services and how to access them.

Under the leadership of the Assistant Director and the Supervisory Program Analyst, OTED's outreach team includes two Lead Program Analysts, 13 Program Analysts and two Management Analysts. These 19 dedicated outreach employees are responsible for coordinating and promoting VA's Special Emphasis Programs; establishing and promoting outreach materials; tracking and reporting national outreach metrics; and collaborating broadly with internal and external stakeholders. This budget request would support two additional FTE to manage VBA's National Toxic Exposure Outreach Program. The dedicated Program Analysts would help ensure VBA meets mission critical outreach needs pertaining to military toxic exposure.

Special emphasis coordination between OTED Outreach Program Managers and the regional office (RO) staff members is inherently fluid and communicative in nature, as many of these programs have coordinators at ROs and counterparts in other parts of VA (i.e., Veterans Health Administration (VHA)). OTED provides a plethora of outreach and training materials and events directly supporting the special emphasis coordinators throughout VA and among its stakeholders. Related events from 2021 include the VA/Department of Defense (DoD) Survivors Forum; Virtual Benefits Seminar; LGBTQ+ Training Symposium; VA training for embassy and consulate staff around the globe; Military Sexual Trauma (MST) Coordinator Training; and Virtual Tribal Claims Clinics on Reservations, among many others. A listing of OTED's special emphasis programs is provided below.

- Elderly Veterans

- Faith-Based Outreach to Veterans
- Former Prisoners of War (FPOW)
- Homeless Veterans
- Justice Involved Veterans
- LGBTQ+ Veterans
- Minority Veterans
- Military Sexual Trauma (MST)
- Rural Veterans
- Tribal and Native American
- Women Veterans
- Foreign Veterans
- Overseas Military Service Coordinator (OSMC) Program

OTED continues to openly partner with groups across VA, to include the Veterans Experience Office (VEO); Center for Minority Veterans (CMV); Center for Women Veterans; Center for Faith and Neighborhood Partnerships; Office of Tribal Government Relations; and others. Notably, OTED collaborated with VEO on missions such as the Women Veterans Journey Map, Native American Journey Map and Virtual Veterans Experience Action Center (V-VEAC) claims clinic events. OTED coordinated with VEO and ROs to hold six successful statewide V-VEAC events in 2021.

Understanding the fundamental impact COVID-19 has had on traditional face-to-face outreach operations, OTED immediately began to strengthen external stakeholder partnerships. One initiative took a decades long partnership with the State Department of Veterans Affairs (SDVAs) and the National Association of State Directors of Veterans Affairs (NASDVA) and reinforced it throughout 2021. OTED holds VBA, SDVA and NASDVA partnership meetings, providing direct outreach to state partners. These meetings bring together roughly 8 to 12 states, VBA District and RO leadership and VBA Central Office (VBACO) leadership to one virtual round table discussion. The events provide open communication lanes, fostering VBA's ability to broadly share updates on VA benefits and services, as well as pass along newly created fact sheets on a host of topics.

In response to COVID-19, OTED transitioned to virtual outreach, utilizing a wide array of virtual platforms such as WebEx, Microsoft Teams and Zoom to reach our internal and external stakeholders. ROs were encouraged to use alternative outreach methods such as virtual claims clinics, town halls and informational symposiums. When ROs were closed to the public, events were cancelled due to safety concerns and transitioned to virtual platforms. The Outreach Reporting Tool Plus (ORT+), the dedicated national tracking tool for all VBA outreach operations, has proved flexible and reliable. ORT+ required adjustments to efficiently track events in real-time. This required daily and weekly updates to the tool while simultaneously creating new reports to show the impact the pandemic had on outreach operations.

Office of Survivors Assistance (OSA)

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. In 2021, OSA was realigned from the Office of the Secretary in

the General Administration budget to VBA. OSA serves as a resource regarding all benefits and services furnished by the Department to survivors of deceased Veterans. OSA also handles the casualty portion of VBA's outreach, ensuring all active duty casualties are reported and entered into the Federal Case Management Tool (FCMT), as well as training both Service Assistance Officers and Casualty Officers assigned to the ROs. 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 benefits and services based on their eligibility.
- Providing direct assistance to approximately 6,700 survivors per year, and outreach to another 5,000 survivors annually.
- 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 not receiving benefits.

VA Transition Assistance Program (TAP)

OTED administers VA's Transition Assistance Program (TAP) which supports the seamless transition from military Service member to Veteran for over 250,000 TSMs annually via the delivery of the VA Benefits and Services course at over 331 military installations, 109 hubs and 222 itinerant sites. As a result of COVID-19, Service members and their families now have a variety of methods to access the VA Benefits and Services course. In addition to in-person (the preferred method) and web-based training, VA now provides Instructor-Led Virtual (iVLT) briefings which is the same experience as in-person. There are approximately 5,900 full-day, in-person VA Benefits and Services courses conducted per year. Eighteen civilian FTE and more than 321 contracted VA Benefits Advisors are permanently positioned at 109 installations and travel to the other locations as needed. TAP exceeded 95% on the customer satisfaction measure for 2021.

The Benefits and Services one-day course helps TSMs understand how to navigate VA; provides them with the skill-building, resources and tools they need to achieve emotional and physical health and economic stability; and empowers them to choose VA.

TAP staff are responsible for the development and implementation of policy; all facets of curriculum development; command and control of course delivery quality and logistics; and training, as well as administrative oversight of strategic support contracts. VA is responsible for critical collaboration with interagency partners including the DoD, Department of Labor (DOL), Department of Homeland Security, Department of Education, the Small Business Administration (SBA) the Office of Personnel Management (OPM), VSOs, non-governmental organizations and state officials to carry out the requirements of the Veterans Opportunity to Work (VOW) to Hire Heroes Act (P.L. 112-56). TAP was redesigned following the passage of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (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 roles and responsibilities of each respective agency are outlined in a Memorandum of Understanding (MOU), which was updated in 2021. The MOU further aligned VA and DoD collaboration across the enterprise a major change to include classifying the TAP Executive Council (EC) under the Joint Executive Committee (JEC).

The VOW Act mandated that all Service members attend TAP. Service members can take VA TAP as early as two years prior to separation if they are retiring, or one year for non-retirees. The interactive course covers all VA benefits and services and includes such topics as VA Home Loan Program, Education, disability claims and Life Insurance. The course also affords TSMs the opportunity to submit their online registration for VA Healthcare. VA Benefits Advisors support the Department of Defense (DoD) components of the Military Life Cycle Capstone events and provide individual assistance to Service members and dependents on all VA benefits and services.

OTED's interagency partnerships enable the seamless integration of 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. Additional Congressional mandates that influence the administration of TAP include, but are not limited to, the following sections of the COMPACT Act (P.L. 116-315): Section 3005, Continuation of Women's Health Transition Training (WHTT); Section 4305, Independent Assessment of the Effectiveness of TAP; and Section 4306, Longitudinal Study of the Effectiveness of TAP.

Military Life Cycle (MLC) Modules

OTED has developed expanded military life cycle training modules, MLCs. These MLC modules include on-line learning capabilities through anytime online access to the following resources:

- Announcements: Real-time communications and links on changes to benefits and new training or support
- Participant Guides: VA Benefits and Services
- Frequently Asked Questions (FAQs): Repository of the top FAQs and vetted responses
- eLearning Modules and Micro Learning: Self-Paced eLearning (web-based training) modules of VA Benefits and Services and videos
- Online Resources: Repository of resources and references to guides and listings of websites to support the user

Women's Health Transition Training (WHTT)

VBA developed and deployed curriculum within TAP emphasizing women's health care through WHTT. This training supplements mandatory TAP briefings and provides approximately 43,000 women Service members separating annually with in-depth information on gender-specific VA healthcare services. WHTT is currently being delivered via an e-learning, self-paced modality, providing access for transitioning Service women and newly separated women Veterans. Future offerings of the WHTT will include virtual instructor-led 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 contracted staff are providing services and support following the proper instructions established by policies and procedures.

Due to COVID, quality control and site visits were paused on August 1, 2021, through the remainder of the year. OTED is prepared to immediately resume quality control and site visits as soon as travel restrictions are lifted.

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; the 2020 Report was released in June 2021. The five-year study:

- Identifies what is most important to Veterans in determining their satisfaction with TAP
- Determines what actions to take to improve the experience
- Guides training and operational activities to enhance the quality of benefits and services provided to Veterans

Network of Support (NoS) Pilot Program

The National Defense Authorization Act for Fiscal Year 2020 (P.L. 116-92), includes a provision requiring 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. NoS is a two-year program that encourages members of the Armed Forces to designate up to 10 persons to whom information regarding VA assistance and available benefits may be sent to support the Veteran. By knowing the identified network of support, DoD and Red Cross can help by providing information about the benefits and services available to transitioning Service members, post separation. VA can help prepare and equip military friends and families to better understand military life, identify when a Service member is struggling and ensure they have access to the necessary tools to access assistance or care. OTED is supporting the implementation of this program and is learning new information to better help inform future program decisions. A survey of the program will be carried out in 2023.

Military to Civilian Readiness Pathway (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. 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 of transition. M2C Ready identifies opportunities in the transition process and devises the best approach to enhance existing programs or create and develop new programs in support of transitioning service members and newly separated veterans, for example VA Solid Start (VASS) which provides early and consistent contact to recently separated 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 program starts with an individual separation assessment to determine the curriculum and MLC modules best suited to the TSM's post-separation needs.

Personal Career Planning & Guidance (PCPG)

PCPG services, which offer personalized counseling and support to help guide career paths, ensure the most effective use of benefits, and assist Veterans with achieving education and career goals. Eight employees orchestrate public and private partnerships to support the total well-being of Service members. PCPG offers tailored career and educational counseling services that include:

- Resume support
- Education and employment planning
- 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

PCPG processed 8,370 personalized career and educational counseling applications in 2021. The program helps ensure beneficiaries are career ready in jobs that are meaningful and forward looking. PCPG currently uses Veteran Readiness and Employment's (VR&E's) Corporate, Waco, Indianapolis, Newark, Roanoke, Seattle System (CWINRS) case processing platform that is scheduled to be retired. OTED has collaborated with VR&E, which is leading the effort to develop a suitable replacement case processing platform. The updated system will provide OTED PCPG with a Case Management Solution Service that enables Program Analyst enhanced contract counselor(s) engagement, data entry and documentation within a FedRamp Certified cloud environment.

P.L. 116-315

Section 3005 – Women Health Transition Training (WHTT)

- VA is required to carry out the WHTT Program for at least one year after the law enactment date (January 5, 2022) and not later than one year and ten days after the enactment date (January 15, 2022) and to submit a joint report with DoD to Congress about the WHTT Program.
- As of February 2021, a self-paced version of WHTT can be accessed online.

Section 4304 – Veteran Transitional Assistance Grant Program (VTAGP)

- VA is required to make grants available to eligible organizations to provide resume assistance, interview training, job recruitment training and related services to members of the U.S. Armed Forces who are separated, retired, or discharged, to include their spouses.
- OTED is in the process of establishing a grants office, which will require a Chief/Grant Officer and three additional FTE to implement a successful grant program. The program will involve on-going coordination of regular inspection; monitoring of grant awardees; and designing of methods to expeditiously review, monitor, manage and process grant applications from various entities. The new team will manage other special projects related to grant initiatives and program implementation.
- This budget request includes \$500,000 for the initial grant awards.

Section 4305 – One-year independent assessment of the effectiveness of TAP

- VA is required, in consultation with the DoD, DOL, SBA and the Secretaries of all military branches, to enter into an agreement to conduct a one-year independent assessment of the effectiveness of TAP.
- OTED is working with these organizations to explore opportunities to meet this requirement.

Section 4306 – Five-Year Longitudinal Transition Assistance Program (TAP) study

- VA is required, in consultation with DoD, DOL and SBA, to conduct a five-year longitudinal study on three cohorts of individuals going through TAP.
- OTED is working with partners to make modifications to the current PSTAP research effort to meet this requirement.

Section 6007 – Outreach Plan for Educating Vulnerable Veterans about Potential Financial Exploitation relating to the Receipt of Pension

- VA is required to collaborate with VSOs to develop an outreach plan for educating vulnerable individuals about potential financial exploitation.
- The outreach plan was delivered to Congress in June 2021, and VBA is currently executing the strategies contained in the plan. The Outreach strategic plan will focus on conducting quarterly calls with VSOs to ensure all pension poaching updates are conveyed to the field. Outreach is not currently collecting Veteran data from the VSOs on financial exploitation of Veterans' pensions, also known as "pension poaching". Pension poaching is a financial scam targeting Veterans, survivors, and their families who are potentially eligible for VA benefits. Future strategy will be to include pension poaching as a part of the monthly financial literacy Wellness Wednesday Campaign and the upcoming financial literacy month in April.

VA Solid Start (VASS) Program

The first year of separation from military service poses challenges for recently separated Veterans that can make it difficult to adjust to civilian life, and for some, increase their risk of suicide. VA research shows first-year Veterans face increased challenges with homelessness, family reintegration, employment, post-traumatic stress disorder (PTSD) and substance abuse, all of which can increase the risk of suicide.⁶ The VASS Program was successfully launched in 2020, to provide support during this critical time. The program provides early and consistent contact with recently separated Service members at three key stages: around 90, 180 and 365 days post-separation. VASS addresses transition-related challenges through proactive outreach to connect recently separated Service members with their earned services and benefits, and, when needed, high-quality mental health care. These interactions support, educate and empower these individuals to know and use the benefits they have earned. Recently separated Service members are assigned a designated VASS representative who works closely with them throughout the entire VASS period of eligibility, and interactions not only provide information and support for benefits and services, but also focus on establishing a relationship and trust in VA.

⁶ [National Strategy for Preventing Veteran Suicide, 2018-2028](#). Department of Veterans Affairs, Office of Mental Health and Suicide Prevention. June 2018.

VASS calls are driven by the specific needs of the TSM, and specially trained VASS representatives address issues or challenges the TSM may be experiencing at the time of the call. VASS provides priority contact to those individuals who had a mental health appointment during the last year of active duty, helping to lower the barrier for entry into VA mental health care treatment and supporting continuity of care. VASS representatives receive special training to identify at risk individuals, and procedures are in place to facilitate an immediate warm transfer to the Veterans Crisis Line (VCL).

VASS utilizes supportive communication options to increase program participation and allow Veterans an opportunity to prepare for their VASS call. Eligible Veterans receive emails notifying them of upcoming calls and a link to the VASS website. After each successful interaction, the assigned VASS representative sends a personalized email with information and resources that were discussed during the call as well as contact information for the appropriate State Veterans Affairs office, to support connection with state and local benefits.

VASS is planning for automated email and communications activities to drive program understanding and engagement, which is key to connecting with eligible individuals.

Economic Development Initiatives (EDI)

OTED has instituted Economic Development Initiatives (EDI) to enhance the Veteran experience beyond separation. This orchestration of economic development activities is accomplished by six 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 ROs, 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 and education benefits, as well as offer opportunities to learn about local business and employment prospects.

OTED hosts EDI events twice annually and follow-up visits to the selected geographic region at six months, 18 months and three years after the event. OTED has connected EDI attendees to over 1,000 meaningful job opportunities, assisted Veterans to receive over \$260,000 in benefits, enrolled over 40 beneficiaries into VA Health Care and repaired Veteran homes damaged by seasonal hurricanes. In 2021, OTED conducted 6,789 outreach events, OTED also conducted virtual Economic Development Initiatives (EDIs) in six locations: San Antonio, Texas; Puget Sound, Washington; Phoenix, Arizona; Jacksonville, North Carolina; San Juan, Puerto Rico; and Baltimore, Maryland. Follow-up meetings were held virtually for Jacksonville, North Carolina; Puget Sound, Washington; San Juan, Puerto Rico; and San Antonio, Texas.

Veterans Assistance Discharge System (VADS)

OTED sends letters to over 250,000 Veterans between 30 days and six-months after their separation from service. 38 U.S.C § 6303 requires VA to provide individual notices at the time of the Veteran's discharge or release from active military, naval or air service of all benefits and services administered by VA for which the Veteran may be eligible. VADS provides a necessary connection with Veterans to meet statutory guidelines and complements the military to civilian transition framework by informing Veterans and their family members of VA benefits and resources they can use to connect to VA.

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 1,000 organizations to support Service members entering VA careers. VA SkillBridge is the organizing umbrella for programs across VA designed to provide Active Duty TSMs with employment training, internship and apprenticeship opportunities during their last 180 days of service. The program provides TSMs with valuable civilian work experience to better prepare them for post-separation employment.

OTED and DoD entered a memorandum of understanding (MOU) in 2020 to create VA SkillBridge transition skills training programs (10 U.S.C. § 1143) to train TSMs for VA jobs in career opportunities such as law enforcement, medical service and claims processing. Through the SkillBridge program, VA gains early access to the extensive experience, skills and leadership qualities that Service members bring to the workforce. VA, in collaboration with the DoD SkillBridge team, provides consultative support to VA organizations developing and implementing VA SkillBridge programs. VA had 16 organizations either established or interested in establishing a VA SkillBridge program for TSMs under the MOU in 2021.

Several new training programs are in development to create employment opportunities for TSMs 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 1,000 ICT opportunities currently open on the SkillBridge site.

VA SkillBridge encountered some challenges during the pandemic, where large cohorts at installation training facilities were shutdown. Both the VA Security Service Training facility in Arkansas and the Warrior Training Advancement Course (WARTAC) classrooms on DoD installations were closed to in-person training. To ensure continuation of the program, VA instituted virtual curriculums. VA continues to support VA SkillBridge programs with developing marketing materials tailored to drive program participation interest via virtual engagements with TSMs, in lieu of the traditional installation-level engagement. OTED requires VA Benefits Advisors to discuss this career readiness opportunity during the "Getting Career Ready" module of the VA TAP Benefits and Services course to highlight VA SkillBridge.

Disability Employment Pilot Project

OTED is developing a pilot program with the goal of providing meaningful employment opportunities for service-disabled Veterans. This budget request includes \$3.6 million for the pilot program. This will provide detailed evaluations using randomized control trials for the 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

Projected OTED Workload and FTE Requirements	2020	2021 Actual	2022 Estimate	2023 Estimate
Direct Labor FTE	27	180	162	226
Attendance at TAP Events*	318,000	326,914	415,000	450,000
Women's Health Transition Training	737	556	700	1,400
Personal Career Planned Guidance (Chapter 36) Cases	7,500	7,875	8,269	9,923
VA Solid Start Successful Contacts	91,859	149,498	200,000	240,000
Economic Development Initiatives*	500	345	500	1,000

* TAP and EDI Event attendance was impacted by COVID-19 in 2020, and installations/sites reopened in phases in 2021.

Performance Measures

The 2023 budget request supports the following performance measures:

- TAP Customer Satisfaction: Target is 95% for 2021 through 2023. This is supported by input from TSMs who attend in-person TAP Benefits and Service briefings and take the anonymous survey. The measurement is an aggregated weighted average of five questions that assess: Facilitator Knowledge; Facilitator Interaction; Learning Resources; Application to Use Resources During Transition Planning; and Confidence in Transition Planning. The 2021 TAP Satisfaction was 95.7%.
- VASS Contact Success Rate: The 2022 target is 50%. The actual Contact Success Rate for 2021 was 58.2%.
- PCPG: The PCPG total applications received target for 2023 is 12,000. The total cases completed Contracted Counseling target for 2023 is 7,500.

Highlights and Achievements

OTED’s 2023 budget request is aligned with the following VA Secretary priorities.

Providing Veterans with Earned Benefits

PSTAP

The 2020 PSTAP report contains the second iteration of the Cross-Sectional Survey and the first iteration of the Longitudinal Survey. Report highlights and notable findings include:

- Greatly improved response rate over the 2019 study
 - Cross sectional response rate improved to approximately 14% from 3%
 - Longitudinal response rate improved of approximately 62.5%
- VA briefings are still the most useful module (response rate of approximately 76%)
- In-person TAP continues to increase satisfaction with program
- Experienced increased benefit utilization in 2020 cohorts, especially for Health Care (increase of about 20%)

PSTAP data and feedback will be used to improve curriculum and materials, as well as inform changes to programs that target mental health in VASS. As a result of the study, specialized curricula for certain groups, for example African American Veterans, are being developed.

Women’s Health Transition Training (WHTT)

Participants learn about a wide range of health care services and eligibility requirements. Course participant feedback showed 95% of participants stated WHTT provided information on how to begin VA health care enrollment in 2021 and 86% strongly agreed the course helped inform them of VA suicide prevention services and programs.

VASS

VASS successfully connected with 149,498 eligible individuals achieving a successful contact rate of 58% in 2021. VASS also successfully connected with 24,233 priority Veterans, representing a 75% successful contact rate. VASS representatives provided warm transfers to the Veterans Crisis Line for two Veterans who were in crisis or at-risk at the time of the call.

VASS implemented the following program improvements and enhancements in 2021:

- Created targeted scripting to address COVID-19 issues and challenges that TSMs may be experiencing. Additional scripting included information on other VA benefits.
- Implemented enhanced scripting targeting women Veteran’s healthcare and benefit information.
- Launched a recurring monthly report that provides key data and metrics that can be used by VBA offices to help inform their stakeholders on the program and the achievements and milestones.
- Delivered the first annual VASS report to Congress. The report outlines program achievements, demographic information and conclusions for the initial year of the program.

Planned improvements and actions:

- Develop and implement additional outcome measures for VHA that will better track program success and impact.
- Complete a comprehensive update of VASS scripts to refine conversations and improve interactions.
- Develop a mandatory refresher training program for growth and development of the VASS representatives.

Ensuring Fiscal Stewardship

The EDI supports financial literacy efforts for Veterans. In 2020, VA and Prudential Financial entered into an agreement that produced two programs at no cost to the Veteran: Wellness Wednesday Financial Education and the Financial Portal.

Wellness Wednesday Financial Education is a series of one-hour classes offered on the third Wednesday of each month. The class covers a wide variety of financial topics important to the financial wellness of the Veteran. 3,238 Veterans attended classes in 2021, with an overall satisfaction rate of 95%.

The Financial Portal, found at www.prudential.com/veteran has been established for virtual on-demand learning. This portal allows the Veteran access to multiple financial articles and calculators, as well as on-line assessment tools that allow the Veteran the ability to measure their own financial wellness. Additional MOAs are being pursued to enhance the availability of financial literacy opportunities for Veterans.

Fostering a Culture of Collaboration

Outreach Events

OTED participated in more than 6,000 outreach events in 2021, reaching over 270,000 Veterans. VBA also conducted more than 12,500 hours of outreach, reaching nearly 200,000 participants. This included over 6,000 homeless and at-risk Veterans, 6,000 elderly Veterans, 90 FPOWs, 2,000 minorities, 800 Native Americans, 1,000 rural Veterans and 5,000 women Veterans. Targeted outreach efforts included conducting Stand Downs and claims clinics, participating in minority conferences and advisory committees and visiting nursing homes and homeless shelters.

Network of Support Pilot (NoS) Program

OTED collaborated with a Federally Funded Research and Development Center to accomplish the legislative requirements of the NoS, to collect the names of loved ones in their network of support. In 2021, OTED worked very closely with DoD and included VA centric articles in each edition of their eNewsletter for their NoS pilot program with the intent of familiarizing Service members with VA. Additionally, the inclusion of VA information will enhance their connection to VA and start building a lifelong relationship. In December 2021, OTED began the pilot program execution and in 2022 will begin development of the required NoS survey to be executed in 2023.



Benefits

Part 3

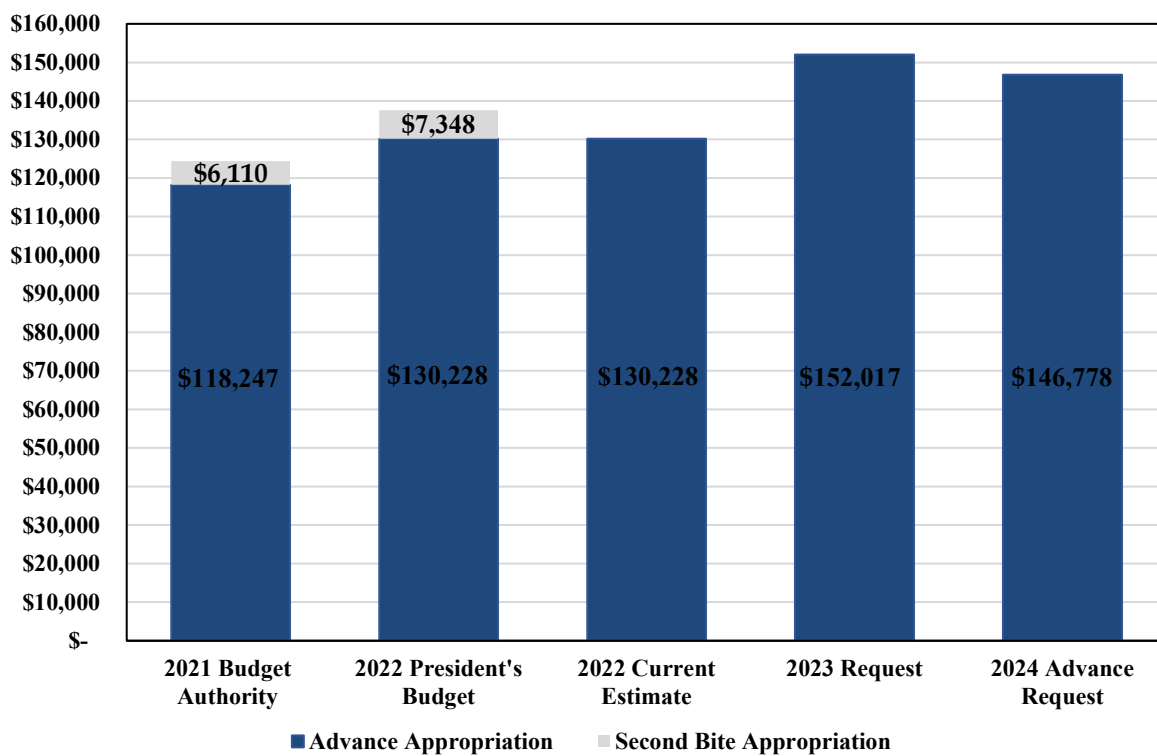
Compensation & Pensions	165
Readjustment Benefits	189
Vocational Rehabilitation Loan Program	209
Post-Vietnam Era Education Account	215
Mandatory Housing	219
Native American Veterans Housing Loan Program	237
Mandatory Insurance	245
Filipino Veterans Equity Compensation Fund.....	255

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Compensation & Pensions

Summary of Budget Authority Compensation and Pensions (\$ in millions)



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

Note. -- A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects funding needs based on the most recent trends and policies.

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, \$146,778,136,000, which shall become available on October 1, 2023, to remain available until expended: Provided, That not to exceed \$21,423,000 of the amount made available for fiscal year 2024 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

(\$ in thousands)

	2021	2022		2023	2024	2022-2023	2023-2024
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
Compensation Obligations							
Veterans	\$101,892,156	\$120,016,285	\$116,245,942	\$128,751,350	\$141,645,736	+\$12,505,408	+\$12,894,386
Survivors	7,987,223	10,267,576	9,881,015	8,939,341	9,515,276	-\$941,674	+\$575,935
Special Benefits for Children	21,807	25,222	22,887	23,656	23,979	+\$769	+\$323
Clothing Allowance	118,456	137,497	129,443	140,349	148,665	+\$10,906	+\$8,316
Other (REPS, SAFD, EAJA)	43,098	58,047	48,038	52,604	56,371	+\$4,566	+\$3,767
Contract Exam Pilot Program - VBA	2,218,202	3,274,079	3,034,084	3,488,677	3,688,041	+\$454,593	+\$199,364
Contract Exam Pilot Program - IT	7,743	7,910	16,486	16,816	17,152	+\$330	+\$336
OBRA Payments to VBA GOE	2,814	7,897	7,897	7,897	8,411	+\$0	+\$514
Total Compensation Obligations:	\$112,291,499	\$133,794,514	\$129,385,792	\$141,420,690	\$155,103,631	+\$12,034,898	+\$13,682,941
Pensions Obligations							
Veterans	\$2,607,188	\$3,010,928	\$2,508,659	\$2,301,373	\$2,106,194	-\$207,286	-\$195,179
Survivors	1,465,863	1,749,108	1,310,408	1,234,526	1,195,076	-\$75,882	-\$39,450
Contract Exam Pilot Program - VBA	299	\$305	385	435	460	+\$50	+\$25
OBRA Payments to VBA GOE	11,257	12,218	12,218	12,218	13,012	+\$0	+\$794
Total Pension Obligations:	\$4,084,606	\$4,772,559	\$3,831,670	\$3,548,552	\$3,314,742	-\$283,118	-\$233,810
Burial Obligations							
Burial Allowance	\$18,145	\$58,303	\$42,610	\$59,508	\$67,614	+\$16,898	+\$8,106
Burial Plot	42,704	47,645	45,346	48,871	51,497	+\$3,525	+\$2,626
Service Connected Deaths	89,996	149,115	139,703	148,555	158,144	+\$8,852	+\$9,589
Burial Flags	23,186	22,801	23,121	23,897	24,700	+\$776	+\$803
Headstones/Markers/Allowances	85,919	98,481	91,649	93,059	86,303	+\$1,410	-\$6,756
Graveliners/Outer Burial Receptacles	46,020	41,211	34,159	37,419	38,281	+\$3,260	+\$862
Caskets/Urns	381	452	336	307	301	-\$29	-\$6
Urns/Plaques	-	-	-	166	224	+\$166	+\$58
Total Burial Obligations:	\$306,352	\$418,008	\$376,924	\$411,781	\$427,065	+\$34,857	+\$15,284
Total C&P Obligations	\$116,682,457	\$138,985,080	\$133,594,387	\$145,381,024	\$158,845,438	+\$11,786,637	+\$13,464,414
Funding:							
Unobligated Balances (SOY)	\$645,474	\$1,409,594	\$8,798,519	\$5,431,783	\$12,067,302	-\$3,366,736	+\$6,635,519
Prior Year Recoveries	392,750	-	-	-	-	-	-
Unobligated Balances (EOY)	8,798,519	-	5,431,783	12,067,302	-	+\$6,635,519	-\$12,067,302
Advance Appropriation	\$118,246,975	\$130,227,650	\$130,227,650	\$152,016,542	\$146,778,136	+\$21,788,892	-\$5,238,406
Second Bite Appropriation	\$6,110,252	\$7,347,837	-	-	-	-	-
Outlays (Net)	\$116,227,394	\$148,343,865	\$142,591,859	\$144,047,294	\$146,002,144	+\$1,455,435	+\$1,954,850
Distribution of Budget Authority (Net):							
Compensation	\$119,966,269	\$132,384,920	\$126,019,056	\$148,056,209	\$143,036,329	+\$22,037,153	-\$5,019,880
Pension	\$4,084,606	\$4,772,559	\$3,831,670	\$3,548,552	\$3,314,742	-\$283,118	-\$233,810
Burial	\$306,352	\$418,008	\$376,924	\$411,781	\$427,065	+\$34,857	+\$15,284
Distribution of Outlays (Net):							
Compensation	\$111,765,053	\$142,830,961	\$138,124,475	\$140,119,608	\$142,529,070	+\$1,995,133	+\$2,409,462
Pension	\$4,155,989	\$5,094,896	\$4,090,460	\$3,515,905	\$3,046,009	-\$574,555	-\$469,896
Burial	\$306,352	\$418,008	\$376,924	\$411,781	\$427,065	+\$34,857	+\$15,284

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

Caseload Summary (In Whole Dollars)

	2021	2022		2023	2024	2022-2023	2023-2024
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
Compensation							
Veterans:							
Cases	5,150,221	5,503,550	5,324,457	5,538,958	5,738,898	+214,501	+199,940
Average Payment	\$19,784	\$21,807	\$21,832	\$23,245	\$24,682	+\$1,413	+\$1,437
Survivors:							
Cases	453,342	475,146	467,244	482,949	501,531	+15,705	+18,582
Average Payment	\$17,619	\$21,609	\$21,147	\$18,510	\$18,972	-\$2,637	+\$462
Other Caseload:							
Special Benefits for Children	1,118	1,281	1,108	1,098	1,088	-10	-10
Clothing Allowance	141,010	160,118	145,504	151,258	156,619	+5,754	+5,361
REPS	1	2	1	1	1	-	-
Special Allowance for Dependents	16	15	15	14	13	-1	-1
Equal Access to Justice Act	7,245	9,924	7,626	8,007	8,388	+381	+381
Pensions							
Veterans:							
Cases	204,562	209,355	184,320	162,377	142,706	-21,943	-19,671
Average Payment	\$12,745	\$14,382	\$13,610	\$14,173	\$14,759	+\$563	+\$586
Survivors:							
Cases	146,680	147,472	125,983	114,250	106,465	-11,733	-7,785
Average Payment	\$9,994	\$11,861	\$10,401	\$10,805	\$11,225	+\$404	+\$420
Burial Caseload							
Burial Allowance	45,034	64,111	45,930	46,549	47,621	+619	+1,072
Burial Plot	53,697	58,320	54,766	55,503	56,782	+737	+1,279
Service-Connected Deaths	49,390	56,099	52,125	53,974	56,831	+1,849	+2,857
Burial Flags	473,490	439,056	450,848	450,848	450,848	-	-
Headstones/Markers/Allowances	350,032	341,693	332,501	337,312	333,435	+4,811	-3,877
Graveliners/Outer Burial Receptacles	74,083	105,724	70,373	77,858	78,988	+7,485	+1,130
Caskets/Urns	287	293	273	277	273	+4	-4
Urns/Plaques	-	-	-	1,247	1,684	+1,247	+437

Funding Highlights

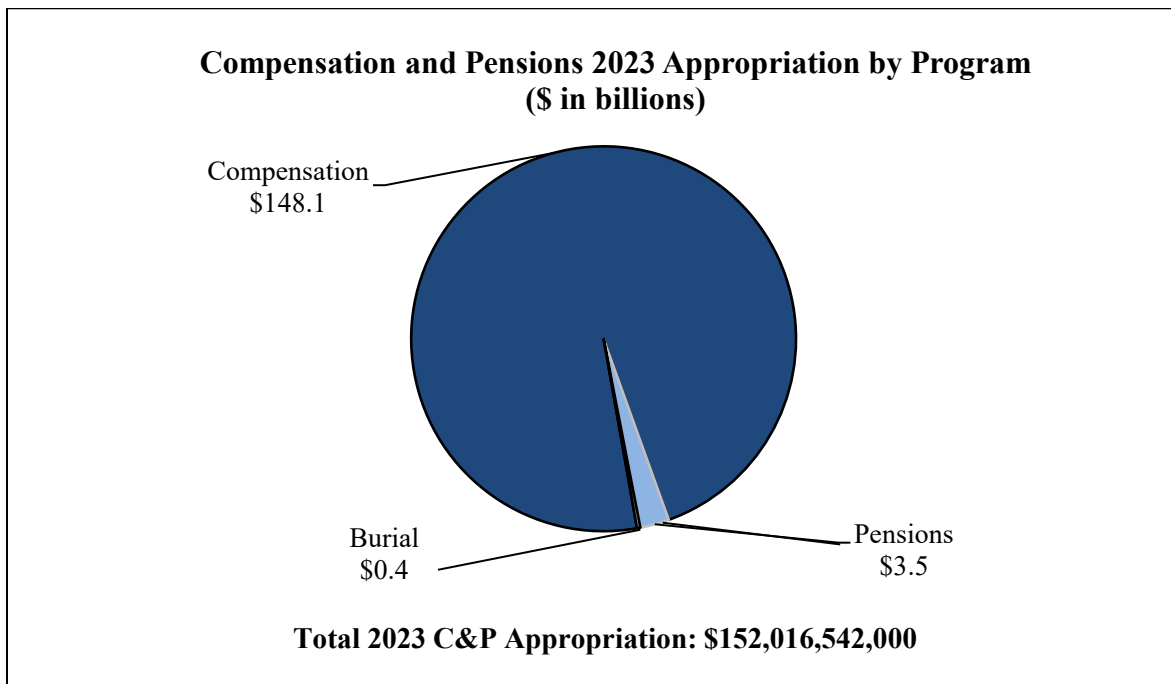
In 2023, the budget requests \$152.0 billion for the Compensation and Pensions (C&P) account, which is the same level as the 2023 advance appropriation request from the 2022 President's Budget. Additionally, this budget includes a \$146.8 billion advance appropriation request for 2024. This appropriation 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 2023 Budget

Budget authority of \$152.0 billion combined with an anticipated unobligated balance of \$5.4 billion carried forward into 2023 will support \$145.4 billion in obligations for benefit programs that are funded by the Compensation and Pensions appropriation account.

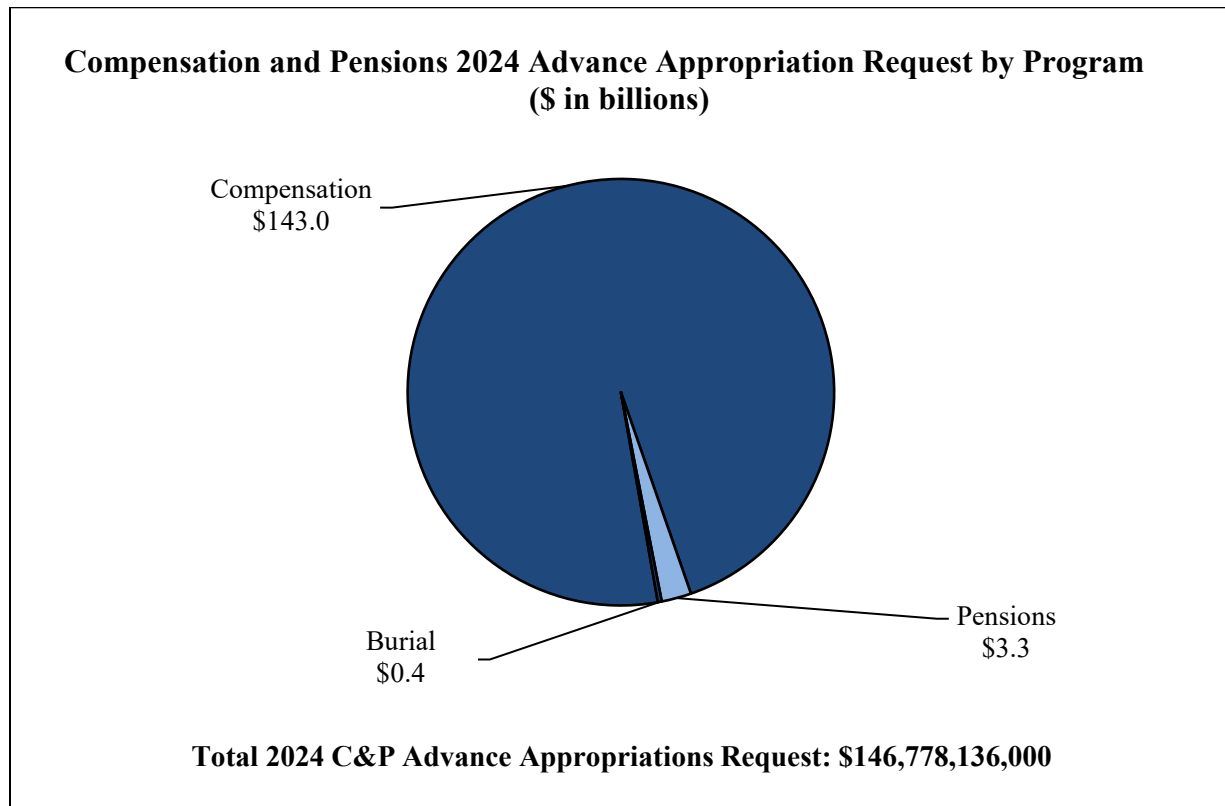
VBA has completed over one million claims for twelve consecutive years, including 1.5 million compensation and pension claims completed in 2021. Notably, the number of Veterans receiving disability compensation benefits has increased over this time period, from 3.3 million in 2011 to 5.2 million in 2021. VBA expects production levels to remain high through 2023 (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.

Total compensation obligations are estimated at \$141.4 billion for payments to 5,538,958 Veterans, 482,949 Survivors, and 1,098 children receiving special benefits. Pensions will be provided to an estimated 162,377 Veterans and 114,250 Survivors totaling \$3.5 billion. An additional \$411.8 million will support burial benefits on behalf of eligible deceased Veterans in 2023.



Summary of 2024 Advance Appropriation Request

Budget authority of \$146.8 billion combined with an anticipated unobligated balance of \$12.1 billion carried forward to 2024 will support \$158.8 billion in obligations for the benefit programs funded by the Compensation and Pensions account. Compensation payments will be provided to an estimated 5,738,898 Veterans, 501,531 Survivors, and 1,088 children receiving special benefits. Pensions will be provided to an estimated 142,706 Veterans and 106,465 Survivors totaling \$3.3 billion. An additional \$427.1 million is requested for 2024 to provide burial benefits on behalf of eligible deceased Veterans.



VA will have an opportunity to request additional mandatory resources, if necessary, during the 2024 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will be able to reduce its 2025 Advance Appropriation request should the 2024 estimate prove too high.

Changes from Original 2022 Budget Estimate

Current estimated obligations for the Compensation and Pensions account are \$133.6 billion, a decrease of \$5.4 billion from the original 2022 estimate. The decrease in obligations is a result of 2021 actual experience as well as the combined net impacts of a series of policy changes and a federal court decision affecting how attorney fees are paid, as summarized below. The 2022 budget authority of \$130.2 billion combined with the unexpired unobligated balance of \$8.8 billion carried forward into 2022 will fund the current estimated obligations. An estimated unobligated balance of \$5.4 billion at the end of 2022 will be carried forward into 2023.

Policy Changes

In August 2021, VA issued a rulemaking which amended its adjudication regulations to establish presumptive service connections for three chronic respiratory health conditions: asthma, sinusitis, and rhinitis, in association with presumed exposures to fine, particulate matter and began processing these claims shortly thereafter. This applies to Veterans who served on active military, naval, or air service in the Southwest Asia theater of operations during the Persian Gulf War (hereafter Gulf War), as well as in Afghanistan, Syria, Djibouti, and Uzbekistan, on or after September 19, 2001 during the Gulf War. This rulemaking was based upon application of VA's new presumptive model and involved careful review of a study conducted by the National Academies of Science, Engineering, and Medicine, as well as other evidence assessed by VA subject matter experts. This change is estimated to increase compensation and pension obligations by \$1.1 billion in 2022.

In September 2021, VA issued a rule amending adjudication regulations regarding compensation for disabilities resulting from undiagnosed and chronic multi-symptom illnesses suffered by Veterans who served in the Persian Gulf War. It extended the presumptive period for qualifying disabilities from December 31, 2021 to be through December 31, 2026. This change is estimated to increase compensation and pension obligations by \$14.0 million in 2022.

As part of VA's ongoing revision of the VA Schedule for Rating Disabilities ("VASRD" or "rating schedule"), rules pertaining to the cardiovascular and genitourinary systems went into effect in November 2021. These rules update medical terminology, incorporate medical advances that have occurred since the last review, and provide well-defined criteria in accordance with standard medical clinical practice for both of these systems. They are estimated to increase compensation and pension obligations by \$45.8 million in 2022.

In early March 2022, VA announced its intention to propose adding several rare respiratory cancers to the list of presumed service-connected disabilities. VA determined through a focused review of scientific and medical evidence that there is biologic plausibility between airborne hazards, specifically particulate matter, and carcinogenesis of the respiratory tract. Based on these findings, the Secretary is proposing a rule that will add presumptive service connection for several rare respiratory cancers for certain Veterans. VA will provide updated budgetary impacts as they become available.

Federal Court Decision

The new procedure for paying attorney fees resulting from *Rosinski v. Wilkie*, 32 *Vet. App.* 264 (2020) was implemented in February 2021. The decision holds that VA must pay attorneys based on the gross amount of any retroactive benefits award rather than the net award that reflects any applicable withholding. VA must calculate the money owed an attorney using the amount of the entire benefit, prior to any withholding. The obligations under the attorney fee statute are not affected by any other statutory limits on the Veteran's ability to receive the payment. The result is that a Veteran might receive all of the funds he or she was entitled to receive after considering all Government withholdings but VA must now find an additional 20% to pay the attorney. The impact of this court decision is estimated to increase compensation and pension obligations by \$4.2 million in 2022.

Compensation

The current overall estimated obligations for the compensation program decreased \$4.4 billion from the original 2022 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 decreased by \$3.8 billion from the original estimate. A slight increase of \$25 to the Veteran compensation average annual benefit payment (\$21,832 vs. \$21,807) results in an increase in obligations of \$139.7 million in 2022, while a decrease in Veteran compensation caseload (5,324,457 vs. 5,503,550) decreases obligations by \$3.9 billion. The changes to average payment and caseload for Veterans compensation are based on additional COLA increases, the three additional presumptive conditions for Gulf War Veterans, VASRD changes, and additional adjustments to workload projections.

The current estimate for Survivor compensation obligations has decreased by \$386.6 million from the original 2022 estimate. Average payment estimates for Survivor compensation decreased by \$462 from the original estimate (\$21,147 vs. \$21,609), resulting in a decrease to obligations of \$219.5 million. A decrease to estimated Survivor caseload (467,244 vs. 475,146), based on 2021 experience, decreases obligations by \$167.1 million.

Compensation benefits also include the contract exams pilot program, Reinstated Entitlement Program for Survivors (REPS), Special Allowance for Dependents (SAFD), Equal Access to Justice Act (EAJA) payments, clothing allowance, special benefits for children, and the VBA Omnibus Budget Reconciliation Act (OBRA) payments. A net decrease of \$251.8 million is a result of changes in these programs. Payments for the contract exams program decreased by \$231.4 million from the original estimate. REPS, SAFD, and EAJA decreased by a combined \$10.0 million, while clothing allowance decreased \$8.1 million. Special benefits for children decreased by \$2.3 million from the original estimate, and OBRA did not change from the original estimate.

Pensions

The current estimated obligations for the pensions program decreased \$940.9 million from the original estimate. Reflecting 2021 actual experience, current estimates decreased for both Veteran caseload (184,320 vs. 209,355) and average payment (\$13,610 vs. \$14,382) compared with the original estimate. The combined effect of these decreases reduced Veteran pension obligations by \$502.3 million in the current estimate. A decrease to Survivor pension average payment (\$10,401 vs. \$11,861) combined with a decrease to Survivor caseload (125,983 vs. 147,472) based on 2021 experience, resulted in a decrease to Survivor pension obligations of \$438.7 million. The VBA OBRA reimbursement did not change from the original estimate.

Burial

The current 2022 burial benefits budget estimate of \$376.9 million is \$41.1 million less than the original budget estimate of \$418.0 million. Decreases are associated with basic burial allowances (\$15.7 million), service connected burial allowances (\$9.4 million), graveliners and outer-burial receptacles (OBRs) (\$7.1 million) headstones and markers (\$6.8 million), burial plots (\$2.3 million), and caskets and urns (\$116,330). These decreases are offset slightly by increased costs associated with burial flags (\$320,500).

Analysis of Increases and Decreases			
(\$ in thousands)			
	2022 Estimate	2023 Estimate	2024 Estimate
Prior Year Obligations	\$116,682,457	\$133,594,386	\$145,381,023
Compensation			
Veterans Caseload and average payment changes (net)	+\$9,557,975	+\$7,697,811	+\$9,850,412
Survivor Caseload and average payment changes (net)	+\$1,470,780	-\$1,407,806	+\$331,194
P.L. 117-45 COLA 5.9%, effective 12/01/2021	+\$5,218,823	+\$1,085,435	-
Proposed COLA 4.3%, effective 12/01/2022	-	+\$4,188,295	+\$868,167
Proposed COLA 2.3%, effective 12/01/2023	-	-	+\$2,420,548
Other Benefits			
Special Benefits for Children	+\$1,080	+\$769	+\$324
Clothing Allowance	+\$10,987	+\$10,906	+\$8,316
Other (REPS, SAFD, EAJA)	+\$4,940	+\$4,567	+\$3,767
Contract Exams Pilot Program -VBA	+\$815,882	+\$454,593	+\$199,364
Contract Exams Pilot Program -IT	+\$8,743	+\$330	+\$336
Payments for VBA GOE OBRA	+\$5,083	+\$0	+\$514
Total Compensation Net Change	\$17,094,293	\$12,034,898	\$13,682,941
Pensions			
Caseload and average payment changes (net)	-\$438,695	-\$438,651	-\$318,498
COLAs	+\$184,711	+\$155,482	+\$83,869
Contract Exams Pilot Program	+\$87	+\$50	+\$24
Payments for VBA GOE OBRA	+\$961	+\$0	+\$795
Total Pensions Net Change	-\$252,936	-\$283,118	-\$233,810
Burial	+\$70,572	+\$34,857	+\$15,284
Total Net Change	+\$16,911,929	+\$11,786,637	+\$13,464,415
Estimated Obligations	\$133,594,386	\$145,381,023	\$158,845,438

Analysis of Increases and Decreases from 2023 to 2024

Compensation

In 2024, compensation obligations are estimated to surpass the 2023 level by \$13.7 billion, which is primarily due to increases in Veteran caseload and average payments. VBA anticipates that claims production levels will increase from 1.8 million rating decisions to above 1.9 million rating decisions through 2023 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 2024. The combined impact of increasing Veteran caseload and average payments is an estimated increase of \$9.9 billion in obligations for 2024. The 2024 COLA is expected to add \$2.4 billion to the cost of the program in 2024. The 2023 COLA is expected to add \$868.2 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 increase obligations by \$331.2 million in 2024.

Under the category of other benefits, costs are projected to increase by \$212.6 million from 2023 to 2024. The estimated obligations for the contract examination reimbursements to VBA GOE increased by \$199.4 million over the prior year. Estimated clothing allowance obligations are expected to increase by \$8.3 million. The combined obligations of REPS, SAFD, and EAJA are expected to increase \$3.8 million in 2024. VBA GOE OBRA obligations are expected to increase by \$513,613, while contract examination reimbursements to OIT are expected to increase by \$336,322, and special benefits for children are expected to increase by \$323,681 compared with 2023 levels.

Pensions

In 2024, pension obligations are expected to decrease \$233.8 million from the 2023 level, which is primarily due to decreases in caseload and average payment. The combined impact of changes to caseload and average payment results in a net decrease in obligations of \$318.5 million. This is slightly offset by the COLA, which is expected to add \$83.9 million to the cost of the program in 2024. VBA GOE OBRA obligations are expected to increase by \$794,588, and contract examinations are expected to increase by \$24,362.

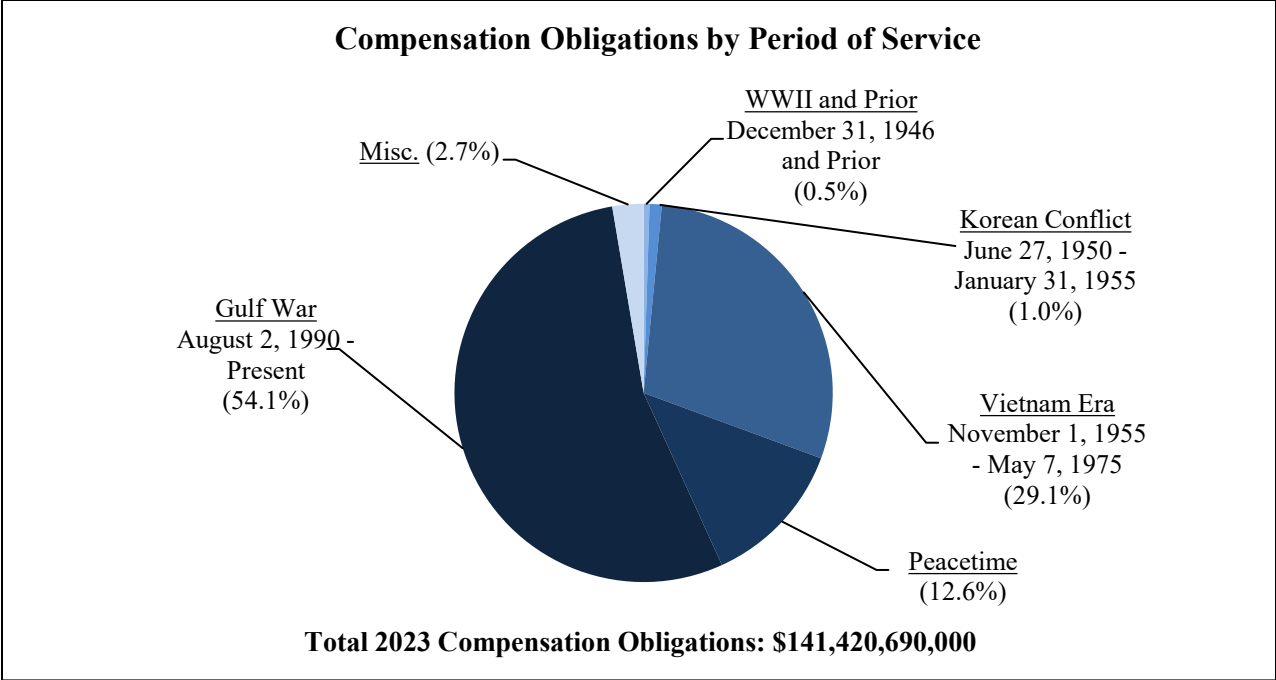
Burial

In 2024, burial benefit obligations are projected to increase overall by \$15.3 million. Increases are associated with service connected burial allowances (\$9.6 million), basic burial allowances (\$8.1 million), burial plots (\$2.6 million), graveliners and OBRs (\$862,315), burial flags (\$803,485), and urns and plaques (\$58,086).⁷ These increases are offset by decreased costs associated with headstones and markers (\$6.8 million) and caskets and urns (\$5,671).

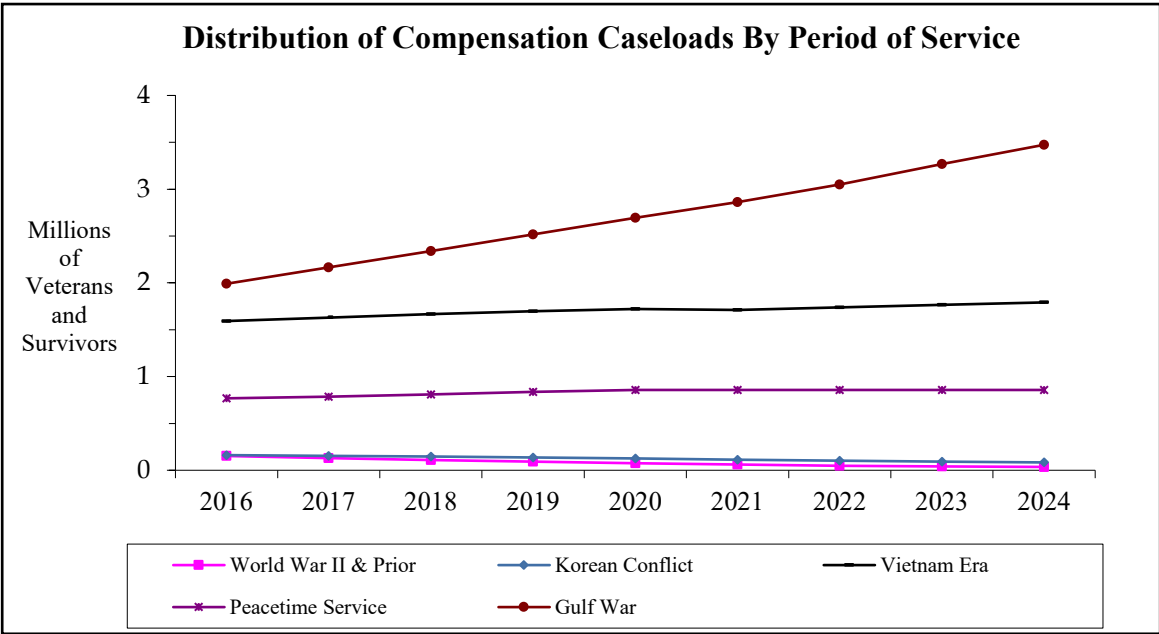
Compensation Program Highlights

In 2023, compensation benefit obligations are expected to total \$141.4 billion with benefit payments made to 6,021,907 beneficiaries. In 2024, obligations are projected to increase to \$155.1 billion with payments to 6,240,429 beneficiaries. Approximately 97.5% of total compensation obligations in 2023 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 with 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 (54.1% of total compensation obligations in 2023) will significantly exceed benefits to Veterans and Survivors from the Vietnam Era (29.1% of 2023 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.

⁷ Section 2207 of P.L. 116-315, which provides an urn or commemorative plaque upon request in lieu of a headstone or marker, goes into effect January 5, 2023.



Benefits in the compensation program are estimated to be dispersed to 5,538,958 Veterans and 482,949 Survivors in 2023, and 5,738,898 Veterans and 501,531 Survivors in 2024. The 2023 Veteran and Survivor caseload estimate is distributed among World War II and Prior (41,084), Korean Conflict (91,666), Vietnam Era (1,764,568) Gulf War (3,268,055), and Peacetime (856,533) 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 2024 can be seen in the following chart.

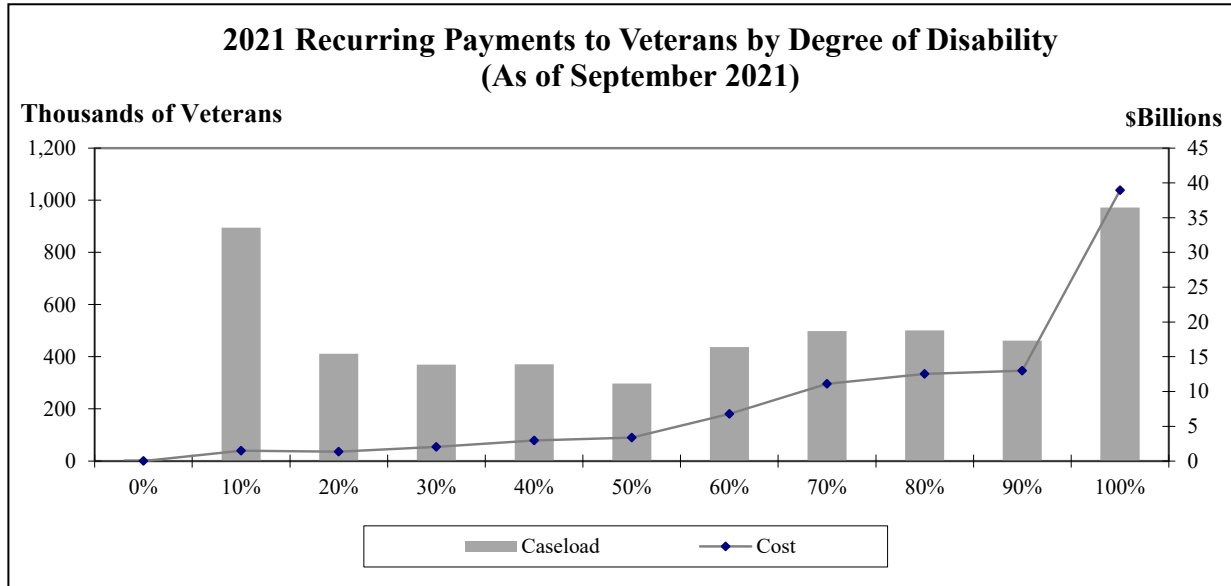


Numerous factors contribute to the total cost of the benefits the compensation program provides, including average degree of disability, additional benefits from enacted legislation or regulations, variations in the number of dependents, the number of individual unemployability (IU) cases, rising special 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 2024. The average degree of disability for Veterans increased from 55.5% in 2020 to 57.1% in 2021, 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
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%
2021	7,373	882,075	405,949	365,120	365,414	293,023	431,420	491,705	494,481	454,766	958,897	57.1%

Monthly payments to Veterans vary by average degree of disability. While Veterans who are rated 10% disabled are the second 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% 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 2021, 380,258 Veterans, or 7.4% 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 2021 was to 78.6%. More Veterans received an increase to their disability rating in 2021 than in 2020, when 338,099 Veterans (6.7% of Veterans on the rolls) received an increased rating and the average increased rating level was 76.9%. The higher increased rating levels in 2021 compared with 2020 is consistent with recent trends, and has contributed to the increases to the overall average degree of disability.

Veterans Compensation 2021 Increased Disability Rating Levels											
Current	Disability Level Increase										Total
	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
0%	76	46	26	47	22	38	30	13	4	51	353
10%	-	9,049	5,308	6,819	2,997	7,061	5,331	3,211	1,907	3,918	45,601
20%	-	-	5,987	5,848	2,764	4,770	2,715	3,843	1,653	2,983	30,563
30%	-	-	-	7,127	5,435	4,934	5,246	4,848	2,491	3,768	33,849
40%	-	-	-	-	6,098	9,328	7,875	7,452	4,069	5,094	39,916
50%	-	-	-	-	-	8,211	8,052	6,803	5,062	5,237	33,365
60%	-	-	-	-	-	-	13,504	14,980	9,770	9,789	48,043
70%	-	-	-	-	-	-	-	18,843	15,486	14,059	48,388
80%	-	-	-	-	-	-	-	-	30,512	21,792	52,304
90%	-	-	-	-	-	-	-	-	-	47,876	47,876
Total	76	9,095	11,321	19,841	17,316	34,342	42,753	59,993	70,954	114,567	380,258

As of September 2021, 2.9 million out of 5.2 million Veteran cases received additional compensation for dependents. The number of dependents totaled 4.5 million, or 1.57 dependents per case, down slightly from the 2020 average of 1.70.

In addition to monetary benefits for dependents, Veterans who are rated 60% 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% two or more service connected disabilities with at least one disability ratable at 40% or more with a combined rating of 70% or more; and
- 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% 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 2021, 374,662 Veterans received IU, an increase of 1,457 cases over September 2020. 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 8.1% in September 2015 to 7.3% in September 2021.

Veterans Compensation							
Individual Unemployability							
	2015	2016	2017	2018	2019	2020	2021
Without Dependents	99,397	101,534	105,403	109,350	113,613	119,079	122,313
With Dependents	228,986	237,328	243,109	247,318	251,763	254,126	252,349
Total	328,383	338,862	348,512	356,668	365,376	373,205	374,662

Special monthly compensation (SMC) is a monetary benefit paid in addition to or in place of 0% to 100% 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.

Veterans Compensation							
Special Monthly Compensation							
	2015	2016	2017	2018	2019	2020	2021
Without Dependents	184,217	188,571	198,090	209,129	219,702	231,900	245,674
With Dependents	385,465	417,002	450,221	482,579	518,671	547,604	577,243
Total	569,682	605,573	648,311	691,708	738,373	779,504	822,917

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 2021, retroactive payments were 7.6% of compensation payments to Veterans and Survivors, a decrease from 8.2% in 2020.

Compensation Retroactive Payments (\$ in millions)							
	2015	2016	2017	2018	2019	2020	2021
Retro Payments	\$7,420	\$6,473	\$6,542	\$6,203	\$7,257	\$8,620	\$8,327
Compensation Payments	\$69,934	\$73,925	\$79,051	\$85,787	\$94,930	\$104,828	\$109,879
% of Retro to Total	10.6%	8.8%	8.3%	7.2%	7.6%	8.2%	7.6%

While 7.6% of total compensation payments were retroactive payments in 2021, the majority of compensation obligations are from monthly recurring payments. In 2021, compensation recurring payment obligations were \$101.6 billion (\$93.6 billion for Veterans and \$8.0 billion for Survivors), or 92.4% 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.

Veterans Compensation Summary by Degree of Disability (obligations in thousands)				
	2021			
Combined Degree of Disability	September Caseload	Average Age	Average September Payment	Recurring Payment Obligations
0%	7,481	72.5	\$103	\$8,804
10%	894,954	62.3	\$145	\$1,479,006
20%	411,876	60.4	\$289	\$1,356,539
30%	370,451	58.2	\$487	\$2,054,631
40%	370,749	56.7	\$704	\$2,973,456
50%	297,301	55.8	\$995	\$3,369,812
60%	437,719	55.6	\$1,358	\$6,776,134
70%	498,884	55.1	\$1,953	\$11,105,372
80%	501,701	53.7	\$2,192	\$12,537,514
90%	461,406	53.0	\$2,467	\$12,980,853
100%	972,898	57.5	\$3,513	\$38,922,829
Veterans Compensation	5,225,420	57.3	\$1,572	\$93,564,950

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.

Veterans Compensation							
Accessions and Terminations							
	2015	2016	2017	2018	2019	2020	2021
Accessions	313,047	284,549	296,715	274,525	309,089	258,635	280,696
Terminations	100,460	102,608	106,679	105,809	117,228	129,512	128,503
Net Change	212,587	181,941	190,036	168,716	191,861	129,123	152,193

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 46.8%, which is slightly lower than the average degree of disability of 57.1% 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.

Veterans Compensation							
Accession Trends							
Combined Degree of Disability	2015	2016	2017	2018	2019	2020	2021
0%	611	490	517	352	341	442	291
10%	77,772	72,638	79,841	76,104	93,818	72,117	82,974
20%	29,771	26,222	26,904	23,706	26,106	20,174	21,035
30%	30,603	27,193	26,614	22,697	24,811	19,983	20,644
40%	26,294	23,871	23,728	20,563	22,169	17,377	19,826
50%	24,518	21,712	21,561	19,191	20,845	18,172	19,231
60%	27,696	24,571	24,338	21,129	22,426	18,398	20,824
70%	27,738	24,974	25,330	23,252	25,801	23,363	25,557
80%	22,234	20,204	19,875	18,631	19,022	16,519	18,097
90%	18,438	17,247	18,683	17,982	18,788	17,465	18,525
100%	27,372	25,427	29,324	30,918	34,962	34,625	33,692
Total	313,047	284,549	296,715	274,525	309,089	258,635	280,696
Avg. Degree	45.8%	45.8%	45.8%	46.6%	45.3%	48.0%	46.8%

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 substantially 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.

Survivor Compensation							
Accessions and Terminations							
	2015	2016	2017	2018	2019	2020	2021
Accessions	27,032	27,988	30,964	30,479	31,066	33,090	37,753
Terminations	20,844	20,723	20,643	19,057	21,592	23,102	23,519
Net Change	6,188	7,265	10,321	11,422	9,474	9,988	14,234

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:

- A service connected disease or injury incurred or aggravated while on active duty;
- An injury was incurred or aggravated in the line of duty while on inactive duty training; or
- A disability compensable by the VA.

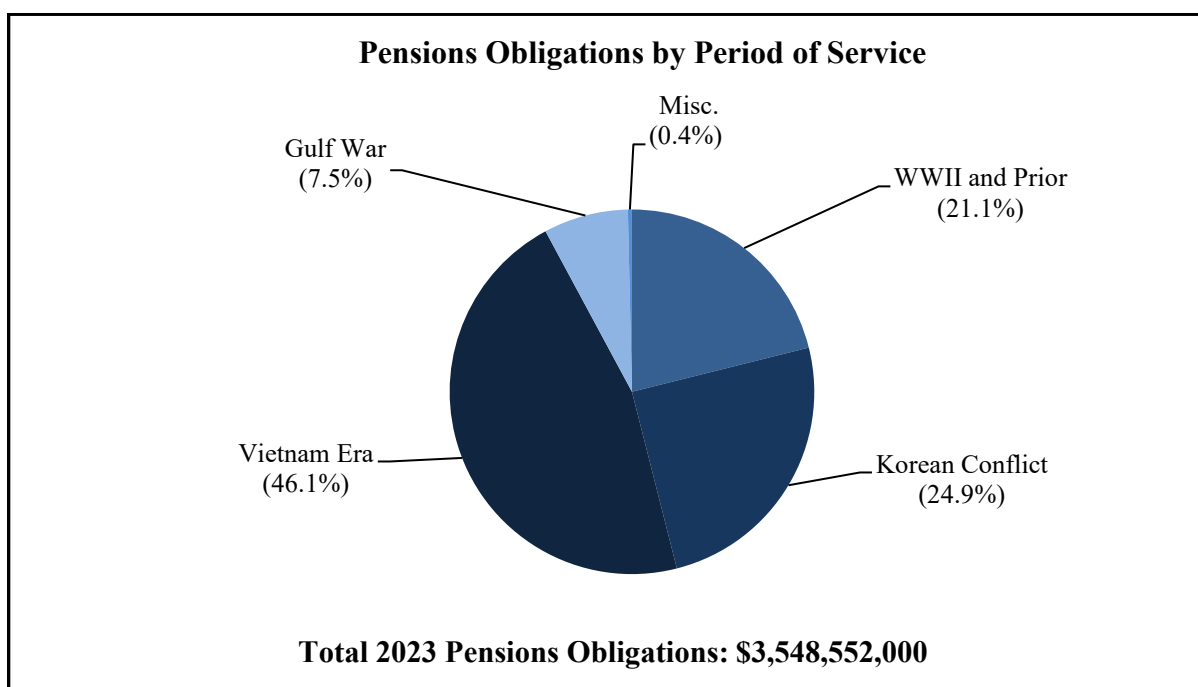
Survivors of Veterans who were rated permanently and totally disabled, but died of a non-service connected cause, may be eligible if:

- The Veteran was continuously rated totally disabled over a period of ten years;
- The Veteran was rated for a period of at least five years from the military discharge; or
- 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 2021, of the 37,753 Survivor accessions, 29,459 were associated with Veteran terminations within the previous three years.

Pensions Program Highlights

In 2023, pension obligations are expected to total \$3.5 billion with payments made to 276,627 pension beneficiaries. In 2024, obligations are projected to decrease to \$3.3 billion with payments to 249,171 beneficiaries. In 2023 and 2024, Veteran caseloads from the Gulf War and earlier are expected to decrease. Survivor pension caseload follows a similar trend; Gulf War caseload will increase slightly, but prior caseloads are expected to decrease through 2024. Approximately 97.5% of the estimated cases in 2023 will receive benefits under the Improved Law program, accounting for 99.8% of the program's cost. As shown in the following chart, the largest pension request comes from Vietnam Era Veterans and Survivors with 46.1% of program obligations in 2023. Korean War Veterans and Survivors represent the second largest group of pension recipients, accounting for 24.9% 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.

Pensions Summary by Law

	2021			2022			2023			2024		
	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)
Total												
Improved Law	342,539	\$11,868	\$4,065,228	302,464	\$12,601	\$3,811,381	269,578	\$13,088	\$3,528,221	242,832	\$13,563	\$3,293,455
Prior Law	8,664	\$894	\$7,746	7,801	\$976	\$7,611	7,015	\$1,084	\$7,604	6,308	\$1,228	\$7,744
Old Law	39	\$1,954	\$77	37	\$2,045	\$75	34	\$2,192	\$74	31	\$2,344	\$72
Veterans												
Improved Law	204,046	\$12,770	\$2,605,708	183,855	\$13,635	\$2,506,817	161,967	\$14,195	\$2,299,081	142,346	\$14,776	\$2,103,340
Prior Law	513	\$2,870	\$1,473	462	\$3,968	\$1,835	407	\$5,609	\$2,285	358	\$7,948	\$2,846
Old Law	3	\$2,625	\$7	3	\$2,720	\$7	3	\$2,805	\$7	3	\$2,876	\$7
Survivors												
Improved Law	138,492	\$10,539	\$1,459,520	118,610	\$10,999	\$1,304,564	107,611	\$11,422	\$1,229,141	100,487	\$11,843	\$1,190,114
Prior Law	8,151	\$770	\$6,273	7,339	\$787	\$5,776	6,608	\$805	\$5,319	5,950	\$823	\$4,898
Old Law	37	\$1,907	\$70	34	\$1,994	\$68	31	\$2,141	\$66	28	\$2,295	\$64

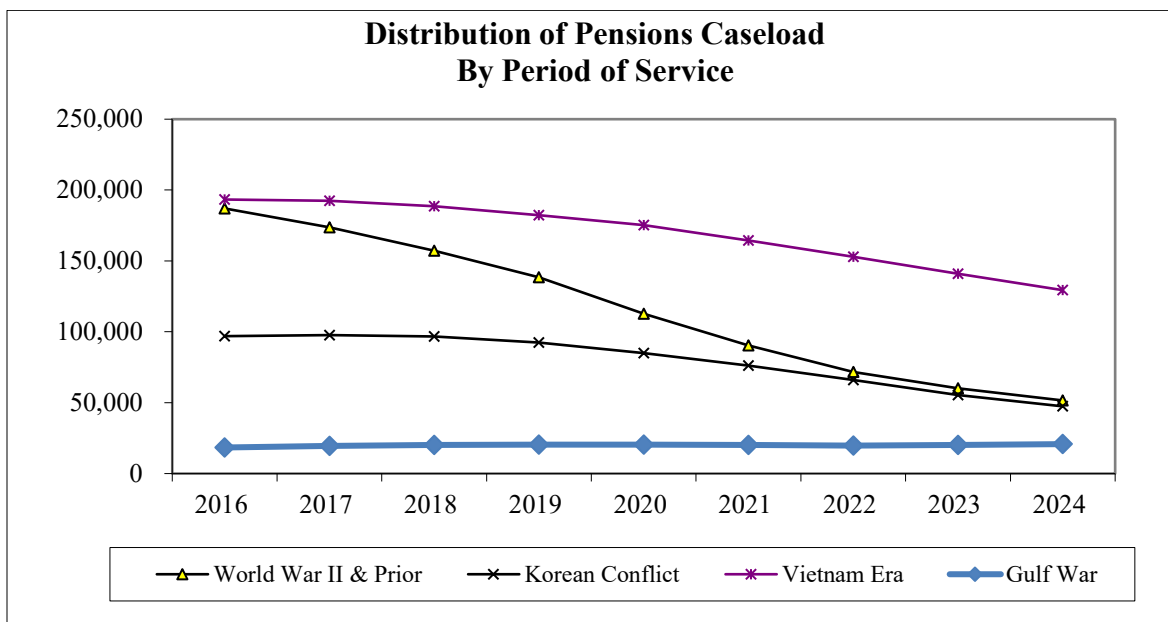
A major factor of the cost of the pensions program is the impact of the automatic cost-of-living adjustment. The COLA for Improved Law beneficiaries, which is automatically tied to that afforded to Social Security beneficiaries, is estimated to be 4.3% in 2023. Since rates for pensioners covered by earlier programs are fixed, variations in average benefit payments for these beneficiaries are attributed to changes in dependency, qualifying income, health, or other eligibility criteria.

Pensions Improved Law Income Limitations (As of December 2021)			
Veterans		Survivors	
Without dependents	\$14,753	Spouses without dependents	\$9,896
With one dependent	\$19,320	Spouses with one dependent	\$12,951
Each additional dependent	\$2,523	Each additional dependent	\$2,523

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 2023 (276,627 vs. 310,302) and 2024 (249,171). Vietnam and WWII and prior beneficiaries account for the largest pension caseloads with 140,905 and 60,142 beneficiaries, respectively, in 2023. Beneficiaries associated with these periods of service account for 72.7% of all pension beneficiaries. Of the 60,142 WWII and prior beneficiaries, only 7,367 are Veterans, with the remaining caseload being Survivors. The opposite is true of the Vietnam Era, with 118,672 of the total 140,905 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, 2021, 35.0% of Veterans who received a pension were over age 75. The percentage of Survivors receiving pension over the age of 75 is 73.9%. VA continues to experience growth in the number of Gulf War claims. These trends are expected to continue through 2023. As more Veterans from recent periods of service continue to access the rolls, the average age of pension recipients is expected to decrease.

Pensions								
Age of Pensions Recipients								
(As of September 2021)								
Age	Veterans Improved Law	Veterans Prior Law	Veterans Old Law	Total Veterans	Survivors Improved Law	Survivors Prior Law	Survivors Old Law	Total Survivors
Under 25	2	-	-	2	261	2	-	263
25 – 35	516	-	-	516	186	2	-	188
36 - 45	2,705	-	-	2,705	635	2	-	637
46 – 55	8,826	-	-	8,826	3,133	248	-	3,381
56 -65	16,254	3	-	16,257	12,609	1,641	2	14,252
66 – 75	98,086	134	-	98,220	15,213	2,391	3	17,607
Over 75	67,849	331	2	68,182	99,815	3,511	32	103,358
Unknown	6	-	-	6	175	3	-	178
Total	194,244	468	2	194,714	132,027	7,800	37	139,864

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.

Veteran Pensions							
Accessions and Terminations							
	2015	2016	2017	2018	2019	2020	2021
Accessions	39,362	39,484	34,662	32,419	22,755	22,303	14,810
Terminations	49,618	44,417	45,965	40,354	39,254	39,456	35,372
Net Change	-10,256	-4,933	-11,303	-7,935	-16,499	-17,153	-20,562

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 2021)

“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
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
2021	2	<0.1	1	1	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
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
2021	468	0.2	257	211	7,800	5.6	2,775	173	4,852

“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	%	Veterans Alone	Veterans w/ Dependents	Number	%	Spouses Alone	Spouses w/ Dependents	Children Alone
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
2021	194,244	99.8	162,024	32,220	132,027	94.4	129,222	829	1,976

Compensation and Pensions
Summary of Obligations
(obligations in thousands)

	2021			2022		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
Compensation Total ^{1/}	5,603,563	\$19,609	\$109,879,378	5,791,701	\$21,777	\$126,126,956
Veterans Compensation	5,150,221	\$19,784	\$101,892,156	5,324,457	\$21,832	\$116,245,942
World War II	26,691	\$14,524	\$387,671	19,238	\$16,154	\$310,765
Korean Conflict	83,865	\$13,759	\$1,153,891	72,638	\$14,593	\$1,059,984
Vietnam Era	1,406,412	\$21,477	\$30,205,870	1,417,480	\$24,189	\$34,287,884
Peacetime Service	812,479	\$14,818	\$12,039,059	811,262	\$17,592	\$14,271,796
Gulf War	2,820,774	\$20,599	\$58,105,665	3,003,840	\$22,077	\$66,315,513
Survivors Compensation	453,342	\$17,619	\$7,987,223	467,244	\$21,147	\$9,881,015
World War I & Prior	108	\$12,898	\$1,389	88	\$13,864	\$1,214
World War II	32,992	\$17,315	\$571,257	28,512	\$17,624	\$502,474
Korean Conflict	29,367	\$18,097	\$531,468	28,030	\$18,317	\$513,431
Vietnam Era	304,854	\$17,813	\$5,430,498	319,972	\$22,721	\$7,270,175
Peacetime Service	43,540	\$17,590	\$765,845	44,989	\$18,220	\$819,710
Gulf War	42,481	\$16,166	\$686,767	45,654	\$16,954	\$774,011
Other Compensation			\$2,412,121			\$3,258,836
Spec. Ben. For Children	1,118	\$19,505	\$21,807	1,108	\$20,656	\$22,887
Clothing Allowance	141,010	\$840	\$118,456	145,504	\$890	\$129,443
Other (REPS, SAJD, EAJA)	7,262	\$5,935	\$43,098	7,642	\$6,286	\$48,038
OBRA Payment to VBA GOE	-	-	\$2,814	-	-	\$7,897
Contract Exams – VBA GOE	-	-	\$2,218,202	-	-	\$3,034,084
Contract Exams - IT	-	-	\$7,743	-	-	\$16,486
Pensions Total ^{1/}	351,242	\$11,596	\$4,073,051	310,302	\$12,308	\$3,819,067
Veterans Pensions	204,562	\$12,745	\$2,607,188	184,320	\$13,610	\$2,508,659
World War II	15,702	\$18,866	\$296,226	10,755	\$22,453	\$241,494
Korean Conflict	33,861	\$16,808	\$569,129	28,057	\$18,822	\$528,097
Vietnam Era	137,737	\$11,018	\$1,517,564	128,842	\$11,766	\$1,515,902
Gulf War	17,263	\$12,992	\$224,269	16,666	\$13,391	\$223,167
Survivors Pensions	146,680	\$9,994	\$1,465,863	125,983	\$10,401	\$1,310,408
World War I & Prior	1,400	\$3,063	\$4,288	1,138	\$3,426	\$3,900
World War II	73,343	\$10,120	\$742,252	59,825	\$10,474	\$626,615
Korean Conflict	42,325	\$10,662	\$451,275	37,977	\$10,944	\$415,626
Vietnam Era	26,792	\$8,981	\$240,632	24,019	\$9,718	\$233,413
Gulf War	2,820	\$9,722	\$27,417	3,024	\$10,204	\$30,854
Other Pensions			\$11,555			\$12,603
OBRA Payment to VBA GOE	-	-	\$11,257	-	-	\$12,218
Contract Exams – VBA GOE	-	-	\$299	-	-	\$385

^{1/} Does not include “other” caseload or obligations.

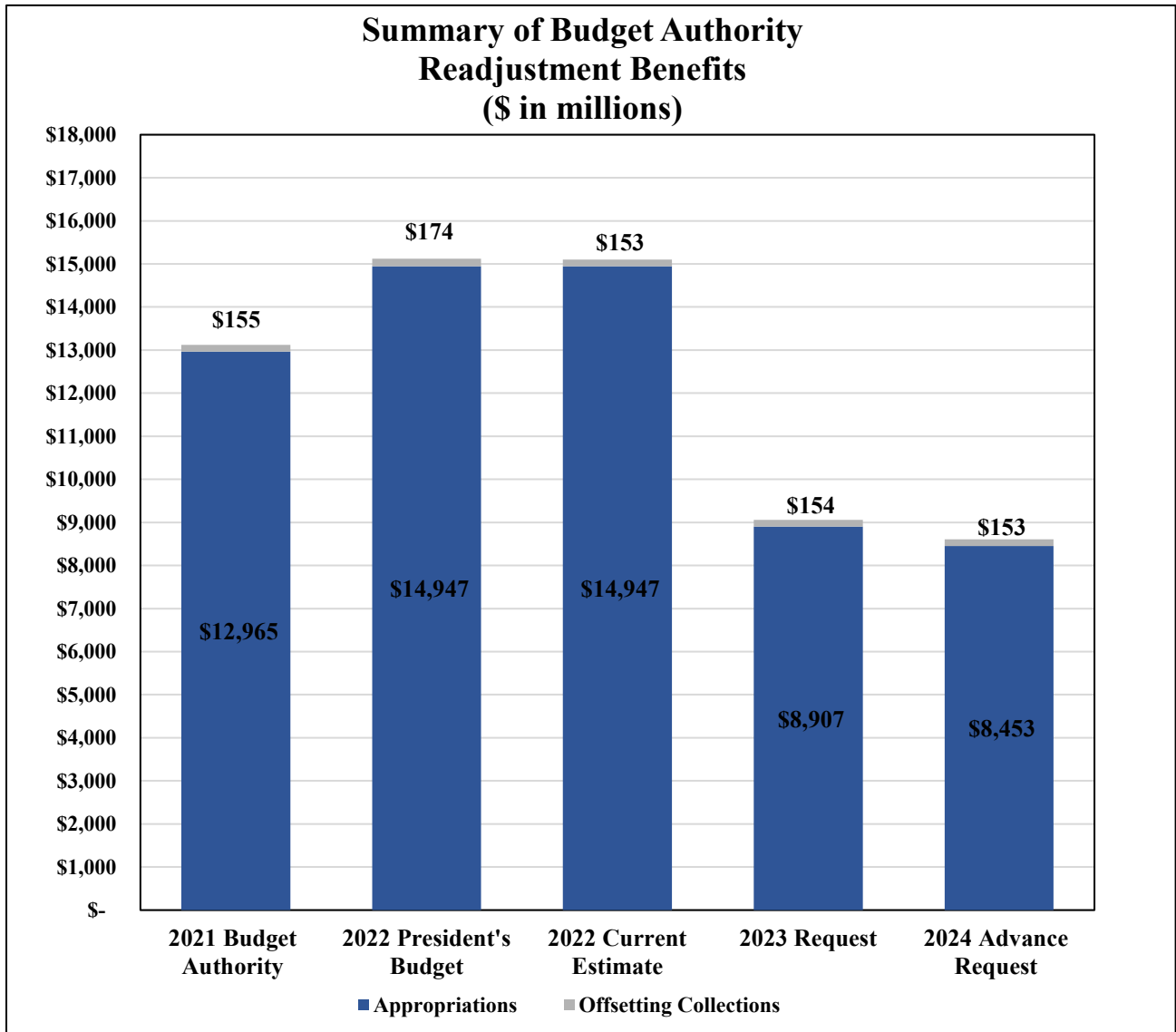
Compensation and Pensions
Summary of Obligations
(obligations in thousands)

	2023			2024		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
Compensation Total ^{1/}	6,021,907	\$22,865	\$137,690,692	6,240,429	\$24,223	\$151,161,012
Veterans Compensation	5,538,958	\$23,245	\$128,751,350	5,738,898	\$24,682	\$141,645,736
World War II	16,373	\$17,048	\$279,116	13,934	\$17,991	\$250,690
Korean Conflict	64,913	\$15,154	\$983,719	58,010	\$15,738	\$912,941
Vietnam Era	1,428,634	\$24,408	\$34,870,511	1,437,336	\$24,673	\$35,463,038
Peacetime Service	810,047	\$20,903	\$16,932,660	808,833	\$24,838	\$20,089,621
Gulf War	3,218,991	\$23,512	\$75,685,344	3,420,784	\$24,827	\$84,929,445
Survivors Compensation	482,949	\$18,510	\$8,939,341	501,531	\$18,972	\$9,515,276
World War I & Prior	72	\$14,882	\$1,065	59	\$15,944	\$938
World War II	24,639	\$17,938	\$441,973	21,293	\$18,257	\$388,757
Korean Conflict	26,753	\$18,540	\$496,007	25,535	\$18,766	\$479,174
Vietnam Era	335,934	\$18,607	\$6,250,595	353,881	\$19,001	\$6,724,178
Peacetime Service	46,487	\$18,873	\$877,363	48,034	\$19,550	\$939,072
Gulf War	49,064	\$17,780	\$872,338	52,729	\$18,645	\$983,157
Other Compensation			\$3,729,999			\$3,942,619
Spec. Ben. For Children	1,098	\$21,544	\$23,656	1,088	\$22,040	\$23,979
Clothing Allowance	151,258	\$928	\$140,349	156,619	\$949	\$148,665
Other (REPS, SAFD, EAJA)	8,022	\$6,557	\$52,604	8,402	\$6,709	\$56,371
OBRA Payment to VBA GOE	-	-	\$7,897	-	-	\$8,411
Contract Exams - VBA GOE	-	-	\$3,488,677	-	-	\$3,688,041
Contract Exams - IT	-	-	\$16,816	-	-	\$17,152
Pensions Total ^{1/}	276,627	\$12,782	\$3,535,899	249,171	\$13,249	\$3,301,270
Veterans Pensions	162,377	\$14,173	\$2,301,373	142,706	\$14,759	\$2,106,194
World War II	7,367	\$25,350	\$186,762	5,046	\$28,408	\$143,361
Korean Conflict	20,248	\$24,054	\$487,064	14,323	\$31,196	\$446,807
Vietnam Era	118,672	\$11,843	\$1,405,482	108,304	\$11,958	\$1,295,063
Gulf War	16,089	\$13,802	\$222,065	15,033	\$14,699	\$220,963
Survivors Pensions	114,250	\$10,805	\$1,234,526	106,465	\$11,225	\$1,195,076
World War I & Prior	977	\$3,842	\$3,755	840	\$4,427	\$3,719
World War II	51,798	\$10,781	\$558,429	45,694	\$11,094	\$506,913
Korean Conflict	35,076	\$11,337	\$397,649	33,110	\$11,732	\$388,449
Vietnam Era	22,233	\$10,366	\$230,460	21,080	\$10,794	\$227,545
Gulf War	4,166	\$10,616	\$44,233	5,741	\$11,923	\$68,450
Other Pensions			\$12,653			\$13,472
OBRA Payment to VBA GOE	-	-	\$12,218	-	-	\$13,012
Contract Exams - VBA GOE	-	-	\$435	-	-	\$460

^{1/} Does not include "other" caseload or obligations.



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, \$8,452,500,000 shall become available on October 1, 2023 to 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
(\$ in thousands)

	2022					2022 to 2023	2023 to 2024
	2021 Actual	Budget Estimate	Current Estimate	2023 Estimate	2024 Estimate	Increase (+) Decrease (-)	Increase (+) Decrease (-)
Obligations:							
<i>Education:</i>							
Post 9-11 GI Bill (33)	\$9,141,053	\$9,672,178	\$8,305,425	\$8,774,930	\$9,499,001	+\$469,505	+\$724,071
Dependents' Education and Training (35)	\$1,118,540	\$1,300,429	\$1,211,943	\$1,354,534	\$1,453,514	+\$142,591	+\$98,980
Veterans/Service Members (30) ^{1/}	\$169,636	\$185,660	\$167,006	\$159,276	\$152,498	-\$7,730	-\$6,778
Reservists (1606)	\$97,114	\$101,169	\$94,917	\$96,209	\$94,675	+\$1,293	-\$1,534
VET TEC Program	\$38,010	\$45,000	\$54,069	\$45,000	\$45,000	-\$9,069	-
Veterans Rapid Retraining Asst. Program	\$32,052	-	\$318,563	\$35,358	-	-\$283,205	-\$35,358
Work-Study ^{2/}	\$21,444	\$39,271	\$23,732	\$26,061	\$29,147	+\$2,329	+\$3,086
Tuition Assistance	\$2,749	\$3,447	\$2,281	\$2,180	\$2,210	-\$101	+\$29
Licensing & Certification	\$1,584	\$3,527	\$3,282	\$3,366	\$3,664	+\$84	+\$298
National Exams ^{3/}	\$51	\$50	\$42	\$36	\$33	-\$6	-\$3
<i>Subtotal:</i>	<i>\$10,622,231</i>	<i>\$11,350,731</i>	<i>\$10,181,260</i>	<i>\$10,496,950</i>	<i>\$11,279,741</i>	<i>+\$315,690</i>	<i>+\$782,791</i>
<i>VR&E (31):</i>							
VR&E Subsistence Allowance	\$591,129	\$812,581	\$718,354	\$721,730	\$754,387	+\$3,376	+\$32,657
VR&E Books, Tuition, Supplies, Fees	\$827,920	\$999,839	\$945,518	\$996,263	\$1,052,207	+\$50,745	+\$55,944
VR&E Work-Study	\$8,266	\$12,304	\$8,170	\$8,706	\$9,796	+\$536	+\$1,090
<i>Subtotal:</i>	<i>\$1,427,316</i>	<i>\$1,824,723</i>	<i>\$1,672,041</i>	<i>\$1,726,699</i>	<i>\$1,816,389</i>	<i>+\$54,658</i>	<i>+\$89,691</i>
<i>Special Assistance:</i>							
Specially Adapted Housing Grants	\$132,200	\$188,396	\$169,850	\$172,640	\$159,999	+\$2,791	-\$12,642
Automobile Grants	\$26,055	\$31,674	\$26,560	\$27,074	\$27,598	+\$514	+\$524
Adaptive Equipment	\$80,131	\$139,399	\$83,595	\$87,208	\$90,977	+\$3,613	+\$3,769
<i>Subtotal:</i>	<i>\$238,386</i>	<i>\$359,469</i>	<i>\$280,004</i>	<i>\$286,922</i>	<i>\$278,575</i>	<i>+\$6,918</i>	<i>-\$8,348</i>
<i>Indirect Benefits:</i>							
Chapter 36	\$1,801	\$6,000	\$6,000	\$6,000	\$6,000	-	-
State Approving Agencies (SAA)	\$24,301	\$24,894	\$25,770	\$26,878	\$27,497	+\$1,108	+\$618
Reporting Fees	\$14,295	\$14,999	\$13,795	\$14,043	\$14,247	+\$248	+\$205
Specially Adapted Housing Tech Grants	\$799	\$1,000	\$1,400	-	-	-\$1,400	-
Reimbursement to GOE	\$114	\$613	\$138	\$141	\$144	+\$3	+\$3
<i>Subtotal:</i>	<i>\$41,311</i>	<i>\$47,507</i>	<i>\$47,103</i>	<i>\$47,062</i>	<i>\$47,888</i>	<i>-\$41</i>	<i>+\$826</i>
Total Obligations	\$12,329,244	\$13,582,431	\$12,180,409	\$12,557,633	\$13,422,593	+\$377,225	+\$864,960
Funding:							
Advance Appropriation	\$12,578,965	\$14,946,618	\$14,946,618	\$8,906,851	\$8,452,500	-\$6,039,767	-\$454,351
Appropriation	\$386,000	-	-	-	-	-	-
Offsetting Collections	\$155,044	\$174,250	\$153,136	\$154,227	\$152,605	+\$1,091	-\$1,622
Unobligated balance (SOY)	\$4,467,404	\$3,679,093	\$5,394,698	\$8,314,043	\$4,817,488	+\$2,919,345	-\$3,496,556
Prior Year Recoveries	\$136,529	-	-	-	-	-	-
Unobligated balance (EOY)	\$5,394,698	\$5,217,530	\$8,314,043	\$4,817,488	-	-\$3,496,556	-\$4,817,488
Outlays (Net)	\$12,065,858	\$14,100,664	\$12,627,179	\$12,302,648	\$12,305,669	-\$324,531	+\$3,021

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/ Includes chapter 1606 work-study reimbursement from DoD.

3/ National Exams includes chapters 30, 33, and 35.

Summary of Appropriation Highlights (cont'd)
(\$ in thousands)

	2021	2022		2023 Estimate	2024 Estimate	2022 to 2023	2023 to 2024
		Budget Estimate	Current Estimate			Increase (+) Decrease (-)	Increase (+) Decrease (-)
Workload Data and Other Items							
Workload:							
Post 9-11 GI Bill (33)	610,009	624,686	562,246	564,972	568,402	+2,725	+3,430
Dependents' Education and Training (35)	167,567	186,396	179,060	191,393	200,264	+12,333	+8,870
Veterans/Service Members (30)	21,356	21,615	21,001	19,542	18,202	-1,459	-1,340
Reservists (1606) ^{1/}	37,071	38,278	35,618	34,210	32,852	-1,408	-1,358
VET TEC	2,658	2,381	3,653	2,938	2,838	-716	-99
Veterans Rapid Retraining Asst. Program	2,079	-	10,131	6,661	0	-3,470	-6,661
VR&E Receiving Subsistence Allowance	88,702	94,380	95,923	97,693	99,423	+1,770	+1,730
VR&E Not Receiving Subsistence Allowance	3,213	10,365	3,933	4,057	4,176	+125	+118
VR&E Evaluation, Planning and Service ^{2/}	33,229	30,449	35,588	36,208	36,817	+620	+609
Specially Adapted Housing Grants	2,938	3,671	3,727	3,755	3,456	+29	-299
Specially Adapted Housing Technology Grants	4	5	7	-	-	-7	-
Automobile Grants	1,239	1,534	1,239	1,239	1,239	-	-
Adaptive Equipment	3,535	4,268	3,535	3,535	3,535	-	-
Chapter 36	2,923	3,457	3,069	3,223	3,384	+153	+161
Average cost: (Whole \$)							
Post 9-11 GI Bill (33)	\$14,985	\$15,483	\$14,772	\$15,532	\$16,712	+\$760	+\$1,180
Dependents' Education and Training (35)	\$6,675	\$6,977	\$6,768	\$7,077	\$7,258	+\$309	+\$181
Veterans/Service Members (30)	\$7,939	\$8,589	\$7,952	\$8,151	\$8,378	+\$198	+\$228
Reservists (1606)	\$2,620	\$2,643	\$2,665	\$2,812	\$2,882	+\$147	+\$70
VET TEC	\$14,300	\$18,903	\$14,801	\$15,319	\$15,855	+\$518	+\$536
Veterans Rapid Retraining Asst. Program	\$15,417	-	\$31,444	\$5,308	-	-\$26,136	-\$5,308
VR&E Subsistence Allowance	\$6,664	\$8,610	\$7,489	\$7,388	\$7,588	-\$101	+\$200
VR&E Books, Tuition, Supplies, Fees, etc.	\$9,007	\$9,545	\$9,469	\$9,791	\$10,157	+\$322	+\$365
Specially Adapted Housing Grants	\$44,997	\$51,326	\$45,579	\$45,972	\$46,290	+\$394	+\$318
Specially Adapted Housing Technology Grants	\$199,815	\$200,000	\$200,000	-	-	-\$200,000	-
Automobile Grants	\$21,029	\$20,648	\$21,436	\$21,852	\$22,275	+\$415	+\$423
Adaptive Equipment	\$22,668	\$32,661	\$23,648	\$24,670	\$25,736	+\$1,022	+\$1,066
Chapter 36	\$616	\$1,735	\$1,955	\$1,862	\$1,773	-\$93	-\$89
Total Cost:							
Post 9-11 GI Bill (33)	\$9,141,053	\$9,672,178	\$8,305,425	\$8,774,930	\$9,499,001	+\$469,505	+\$724,071
Dependents' Education and Training (35)	\$1,118,540	\$1,300,429	\$1,211,943	\$1,354,534	\$1,453,514	+\$142,591	+\$98,980
Veterans/Service Members (30)	\$169,636	\$185,660	\$167,006	\$159,276	\$152,498	-\$7,730	-\$6,778
Reservists (1606) ^{1/}	\$97,114	\$101,169	\$94,917	\$96,209	\$94,675	+\$1,293	-\$1,534
VET TEC	\$38,010	\$45,000	\$54,069	\$45,000	\$45,000	-\$9,069	-
Veterans Rapid Retraining Asst. Program	\$32,052	-	\$318,563	\$35,358	-	-\$283,205	-\$35,358
VR&E Subsistence Allowance	\$591,129	\$812,581	\$718,354	\$721,730	\$754,387	+\$3,376	+\$32,657
VR&E Books, Tuition, Supplies, Fees, etc.	\$827,920	\$999,839	\$945,518	\$996,263	\$1,052,207	+\$50,745	+\$55,944
Specially Adapted Housing Grants	\$132,200	\$188,396	\$169,850	\$172,640	\$159,999	+\$2,791	-\$12,642
Specially Adapted Housing Technology Grants	\$799	\$1,000	\$1,400	-	-	-\$1,400	-
Automobile Grants	\$26,055	\$31,674	\$26,560	\$27,074	\$27,598	+\$514	+\$524
Adaptive Equipment	\$80,131	\$139,399	\$83,595	\$87,208	\$90,977	+\$3,613	+\$3,769
Chapter 36	\$1,801	\$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 2023, the requested appropriation of \$8.9 billion, when combined with \$154.2 million in offsetting collections from the Department of Defense (DoD), and an estimated unobligated balance of \$8.3 billion carried over from 2022, will provide sufficient funding for Readjustment Benefits obligations. Obligations are estimated to be \$12.6 billion in 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 2023 budget submission is the advance appropriation request of \$8.5 billion for 2024. In conjunction with \$152.6 million in anticipated offsetting collections from DoD, and an estimated unobligated balance of \$4.8 billion carried over from 2023, total budgetary resources will fund an estimated \$13.4 billion in Readjustment Benefits obligations in 2024. VA will have an opportunity to request additional mandatory resources, if necessary, during the 2024 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will be able to reduce its 2025 advance appropriation request should the 2024 estimate prove too high.

This budget request includes VA's policy update to the 48-month limit for education benefits. Previously, any entitlement used under the VR&E program was included when computing benefits used towards the 48-month limit to education entitlement. Under this change, VR&E entitlement is no longer included when computing remaining education entitlement.

Also included in this budget request are continued changes to education and VR&E benefits due to the COVID-19 pandemic. The Responsible Education Migrating Options and Technical Extensions Act of 2021, (P.L. 117-76), extended numerous expiring provisions to assist Veterans during the COVID-19 pandemic. Under these extensions, VA can continue to pay housing and subsistence allowances and other benefits, extend usage periods, and prevent VA from charging entitlement if beneficiaries are adversely affected by the pandemic.

Changes from Original 2022 Budget Estimate

Current estimated obligations of \$12.2 billion for the Readjustment Benefits account in 2022 decrease \$1.4 billion from the original budget estimate of \$13.6 billion. The actual unobligated balance carried over from 2021 was \$5.4 billion, \$1.7 billion greater than the estimate of \$3.7 billion. The increase in the 2021 carryover, leads to an increase in the unobligated balance for 2022.

Education Programs

Changes in estimated obligations for 2022 are based on actual experience in 2021 and 2022 year-to-date. A decrease of 62,440 chapter 33 trainees and a decrease in the average payment by \$711 result in a decrease of \$1.4 billion to chapter 33 obligations. A decrease of 7,336 trainees and a decrease in the average payment of \$209 result in a decrease of \$88.5 million in chapter 35 obligations. Chapter 30 caseload decrease by 614, and the average payment decreases by \$637 which results in a decrease of \$18.7 million in chapter 30 obligations. Chapter 1606 trainees decrease by 2,660, and the average payment increase by \$22, resulting in a net decrease of \$6.3

million in chapter 1606 obligations. Veteran Employment Through Technology Education Courses (VET TEC) obligations are expected to increase by \$9.1 million. This increase is based on the unobligated balance from VET TEC funding from 2021. VA assumes the annual limitation of \$45 million plus the additional \$9.1 million will be obligated in 2022. The Veterans Rapid Retraining Assistance Program (VRRAP) was established in 2021, increasing estimated obligations by \$318.6 million in 2022. Work-study obligations also decrease by \$15.5 million, while tuition assistance decrease by \$1.2 million, licensing and certification decrease by \$245,022, and national exams decrease by \$8,162.

Veteran Readiness and Employment (VR&E) Program

The average payment for books, tuition, supplies, and fees decreases by \$76, and the average payment for subsistence allowance decreases by \$1,121. Individuals receiving a subsistence allowance increase by 1,543, and those receiving benefit payments for books, tuition, supplies, and fees decrease by 6,433. VR&E work-study obligations decreased by \$4.1 million. This results in an overall decrease of \$152.7 million in VR&E obligations.

Special Assistance

Changes in the average payment for adaptive equipment grants and housing grants decreases obligations by \$55.8 million and \$18.5 million, respectively. A decrease in the number of automobile grant beneficiaries reduces obligations \$5.1 million.

Indirect Benefits

Obligations for reporting fees decrease by \$1.2 million, and obligations for state approving agencies increase by \$876,045. Reimbursements to GOE decrease \$475,474, and specially adapted housing technology grants increase by \$400,000.

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 \$26,381.37 (as of August 1, 2022) 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%), 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%) 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 or members of the Selected Reserve who die from a service-connected disability 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% 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, 2021, the rate for full-time training in college, technical, or vocational school was \$2,150 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 \$1,744. 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 the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, (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.

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.

Veterans Rapid Retraining Assistance Program (VRRAP)

The Veteran Rapid Retraining Assistance Program (VRRAP) was established through the American Rescue Plan Act of 2021 (Public Law 117-2), and \$386.0 million was appropriated to the Readjustment Benefits account for this purpose under the Training in High-demand Roles to Improve Veteran Employment Act, or the THRIVE Act (P. L. 117-16).

VRRAP provides an eligible Veteran with up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates, to be used towards training in a covered program of education that leads to a high-demand job. These include associate degrees, non-college degrees, and certificate programs. The Department of Labor determines what's considered a high-demand job for VRRAP. To be eligible for this program, individuals must be:

- At least 22 years of age and less than 67 years of age,
- Unemployed due to the COVID-19 pandemic,
- Not eligible for GI Bill or VR&E benefits,
- Not enrolled in a Federal or State jobs program,
- Not receiving VA disability compensation because a Veteran is unable to work, and
- Not receiving unemployment compensation including enhanced benefits under the CARES Act.

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 Veterans who are not currently able to work due to their service-connected disabilities and are in need of independence in daily living.

To be eligible, a Veteran must have a VA service-connected disability rated at least 20% with an employment barrier, or rated 10% with a serious employment barrier, and be discharged or released from military service under other than dishonorable conditions. Service members separating from active duty may also apply if their disabilities are reasonably expected to be rated at least 20% following discharge. A VA counselor must decide if the individual has an employment barrier

based upon the results of a comprehensive evaluation, except in cases where a Service member is awaiting discharge due to a medical condition resulting from a serious injury that occurred in the line of duty, as these individuals are determined automatically entitled to Chapter 31 benefits. 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 participating in training are provided 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.

2022 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	\$670.77	\$832.03	\$980.49	\$71.45
3/4-time	\$504.01	\$624.93	\$733.06	\$54.97
1/2-time	\$337.23	\$417.83	\$491.14	\$36.66
1/4 -time	\$168.59	\$208.95	\$245.57	\$18.29

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% 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 \$101,754 in 2022. 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 \$20,387 in 2022, 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 (\$101,754) would be permitted to use up to \$40,983 in 2022, and those eligible for a SHA grant (\$20,387) would be permitted to use up to \$7,318 in 2022. 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 \$22,355.72 (as of October 1, 2021) 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 \$200,000 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. P. L. 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 2022, total SAA funding is \$25.8 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.

Readjustment Benefits			
Analysis of Increases and Decreases			
(\$ in thousands)			
	2022	2023	2024
	Estimate	Estimate	Estimate
Prior Year Obligations	\$12,329,244	\$12,180,409	\$12,557,633
Chapter 33 (Post 9/11 GI Bill)			
Economic Assumptions (COLA and Tuition Index)	+\$49,623	+\$172,032	+\$452,657
Caseload	-705,545	+42,330	+57,323
Average Payment	-179,706	+255,144	+214,091
Net Changes	-\$835,628	+\$469,505	+\$724,071
Chapter 35 (Dependent Education)			
Economic Assumption (CPI-W)	+\$23,803	+\$75,755	+\$35,583
Caseload	+77,562	+87,021	+64,917
Average Payment	-7,962	-20,185	-1,520
Net Changes	+\$93,403	+\$142,591	+\$98,980
Chapter 30 (Montgomery GI Bill)			
Economic Assumptions (Tuition Index)	+4,932	+4,685	+4,450
Caseload	-2,824	-11,892	-11,229
Average Payment	-4,737	-523	+1
Net Changes	-\$2,629	-\$7,730	-\$6,778
Chapter 1606 (Reservists)			
Economic Assumption (CPI-W)	+\$1,865	+\$5,390	+\$2,323
Caseload	-3,872	-3,959	-3,913
Average Payment	-190	-138	+57
Net Changes	-\$2,197	+\$1,293	-\$1,534
VET TEC	+16,060	-9,069	-
VRRAP	+\$286,511	-\$283,205	-\$35,358
Miscellaneous			
Work-Study	+\$2,288	+\$2,329	+\$3,086
Tuition Assistance	-468	-101	+29
Licensing and Certification	+1,698	+84	+298
National Exams	-8	-6	-3
Net Changes	+\$3,510	+\$2,306	+\$3,410
Chapter 31 (Veteran Readiness and Employment)			
Economic Assumptions (COLA and Tuition Index)	+\$64,513	+\$46,598	+\$47,261
Caseload	+132,311	+31,993	+32,232
Average Payment	+47,998	-24,470	+9,108
Work-Study	-96	+536	+1,090
Net Changes	+\$244,726	+\$54,658	+\$89,691
Special Assistance for Disabled Veterans			
Housing Grants	+\$37,650	+\$2,791	-\$12,642
Automobile Grants	+505	+514	+524
Adaptive Equipment	+3,464	+3,613	+3,769
Net Changes	+\$41,618	+\$6,918	-\$8,348
Indirect Benefits			
Contract Counseling	+4,199	-	-
State Approving Agencies	+1,469	+1,108	+618
Reporting Fees	-501	+248	+205
Housing Technology Grants	+601	-1,400	-
Reimbursement to GOE	24	3	3
Net Changes	+\$5,792	-\$41	+\$826
Total Net Change	-\$148,835	\$377,225	\$864,960
Estimated Obligations	\$12,180,409	\$12,557,633	\$13,422,593

Analysis of Increases and Decreases from 2023 to 2024

Post 9-11 GI Bill (Chapter 33)

Chapter 33 obligations are expected to increase \$724.1 million in 2024. Economic assumptions, including the VA education cost-of-living-adjustment (COLA) and tuition index, are expected to increase obligations by \$452.7 million. An estimated change in average payment unrelated to economic assumptions will result in an increase of \$214.1 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. An estimated increase of 3,430 trainees will increase obligations by \$57.3 million.

Survivors' and Dependents' Educational Assistance (Chapter 35)

Chapter 35 obligations are projected to increase by \$99.0 million in 2024. Caseload is expected to increase by 8,870 children and spouses, resulting in an increase to obligations of \$64.9 million. The CPI-W is estimated to increase obligations by \$35.6 million, and changes in average benefit payments unrelated to economic assumptions are expected to decrease obligations by \$1.5 million.

All-Volunteer Force Educational Assistance Program (Chapter 30)

Chapter 30 obligations are projected to decrease by \$6.8 million in 2024. A decrease in 1,340 beneficiaries is estimated to decrease obligations by \$11.2 million, and changes to the tuition index are expected to increase obligations by \$4.5 million. Offsetting these decreases are expected increases in the average payment by \$697 which are unrelated to the tuition index.

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

Chapter 1606 obligations are expected to decrease by \$1.5 million in 2024. A decrease in 1,358 trainees is estimated to decrease obligations by \$3.9 million. The CPI-W is estimated to increase obligations by \$2.3 million, while increases to the average payment unrelated to economic assumptions is estimated to increase obligations by \$56,586.

VET TEC

VET TEC obligations are expected to remain constant in 2024. Based on current law, \$45 million is allocated to VET TEC in 2023 and 2024, and any unobligated funding from 2022 and 2023 is available for use in the following year.

VRRAP

VRRAP obligations are expected to decrease by \$35.4 million in 2024. The VRRAP program was established in 2021. Obligations in 2024 reflect the current law, which states that the program will not accept new entrants 21 months after enactment.

Miscellaneous Education

Total changes in miscellaneous education programs are expected to increase obligations by \$3.4 million in 2024. Work-study obligations are estimated to increase by \$3.1 million; licensing and certification obligations increase by \$298,001, and tuition assistance obligations by \$29,299. National exams obligations are expected to decrease by \$3,273.

VR&E (Chapter 31)

Chapter 31 obligations are projected to increase by \$89.7 million in 2024. The tuition index and COLA are anticipated to increase obligations by \$47.3 million. An increase of 1,848 individuals receiving monetary benefits will increase obligations by \$32.2 million. Changes to the average payment unrelated to economic assumptions are estimated to increase obligations by \$9.1 million. Work-study obligations are estimated to increase by \$1.1 million.

Special Assistance for Disabled Veterans

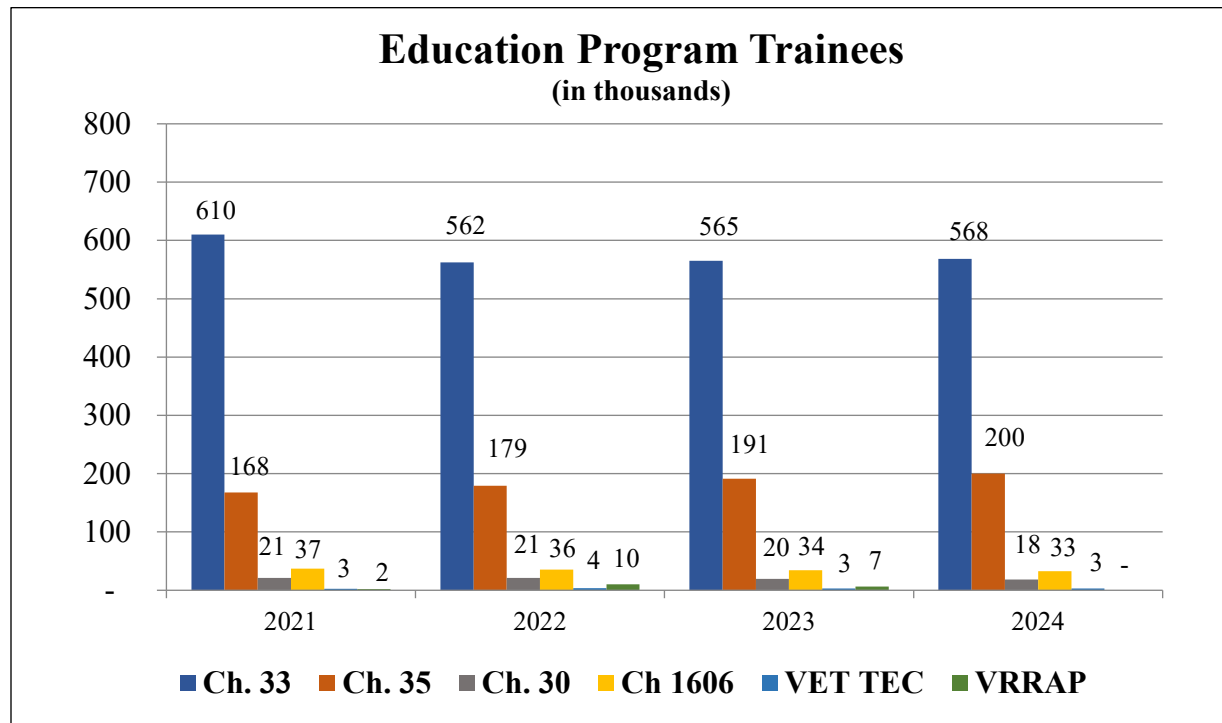
Total special assistance is expected to decrease by \$8.3 million in 2024. Housing grants are estimated to decrease \$12.6 million, while adaptive equipment grants are estimated to increase by \$3.8 million, and automobile grants are expected to increase by \$524,336.

Indirect Benefits

Total changes in indirect benefits are expected to increase obligations by \$825,956 in 2024. Payments to state approving agencies (SAAs) are expected to increase by \$618,205, while reporting fees will increase by \$204,937, and reimbursements to GOE are expected to increase by \$2,815.

Education Program Highlights

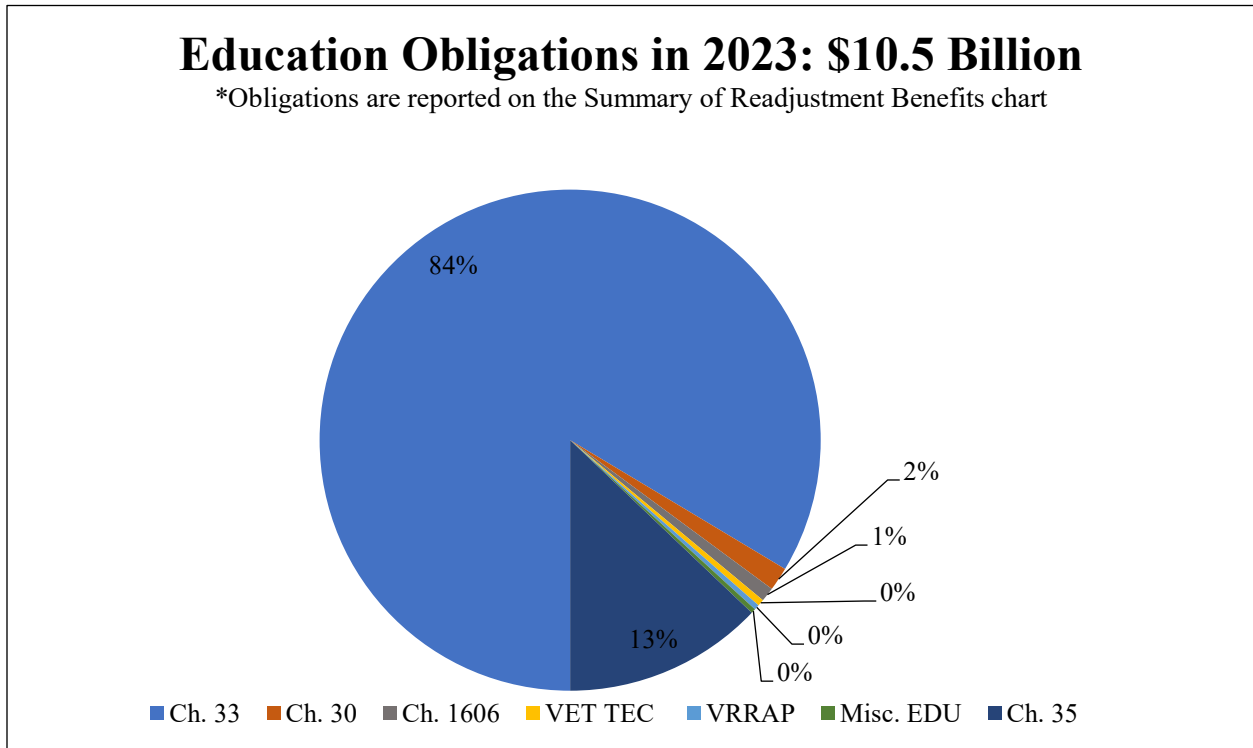
In 2022, education benefits will be provided to an estimated 811,709 beneficiaries. Total beneficiaries are projected to be 819,715 in 2023 and 822,557 in 2024.



The average cost per beneficiary is highest for chapter 33, reaching \$14,772 in 2022. The other education programs have significantly lower average payments, incentivizing most beneficiaries to elect chapter 33 benefits when eligible. In 2022, the estimated average cost per beneficiary will be \$7,952 for chapter 30, \$6,768 for chapter 35, and \$2,665 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 564,972 trainees in 2023, accounting for 84% of education obligations. Chapter 35 represents 13% of education obligations, while chapters 30 accounts for 2%, and 1606 accounts for 1% of obligations. VET TEC, VRRAP, and miscellaneous education benefits, such as work-study, account for 1% of obligations.

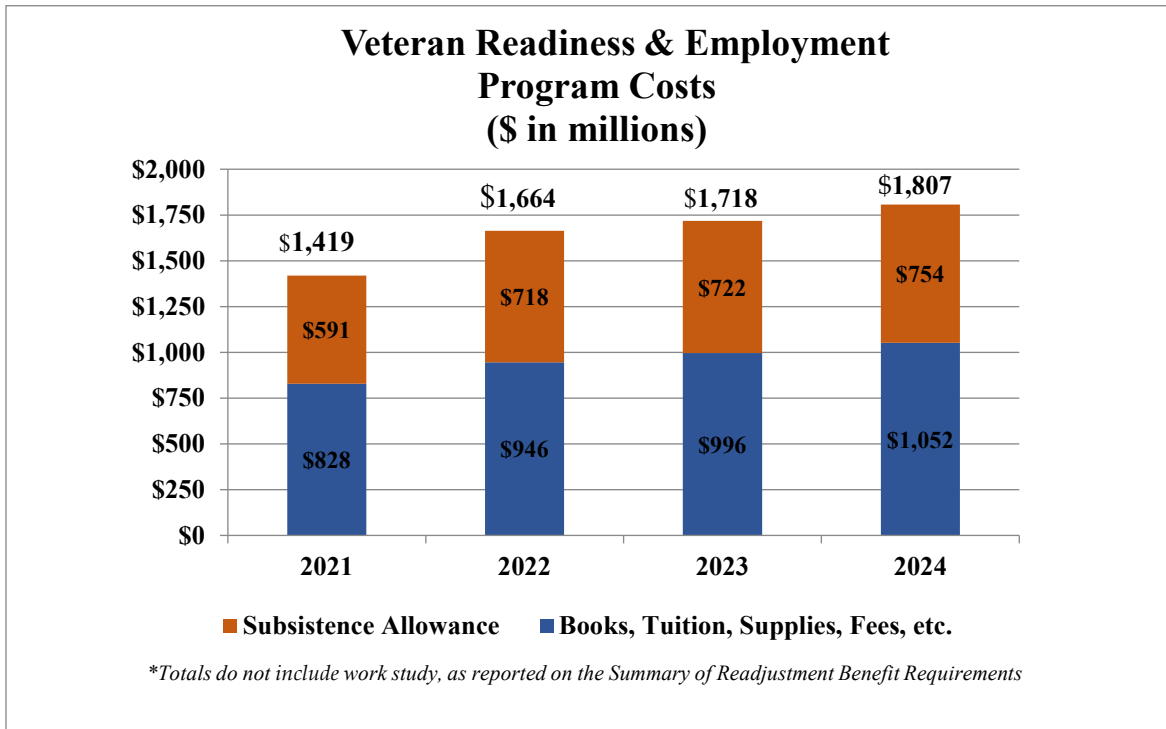


VR&E Program Highlights

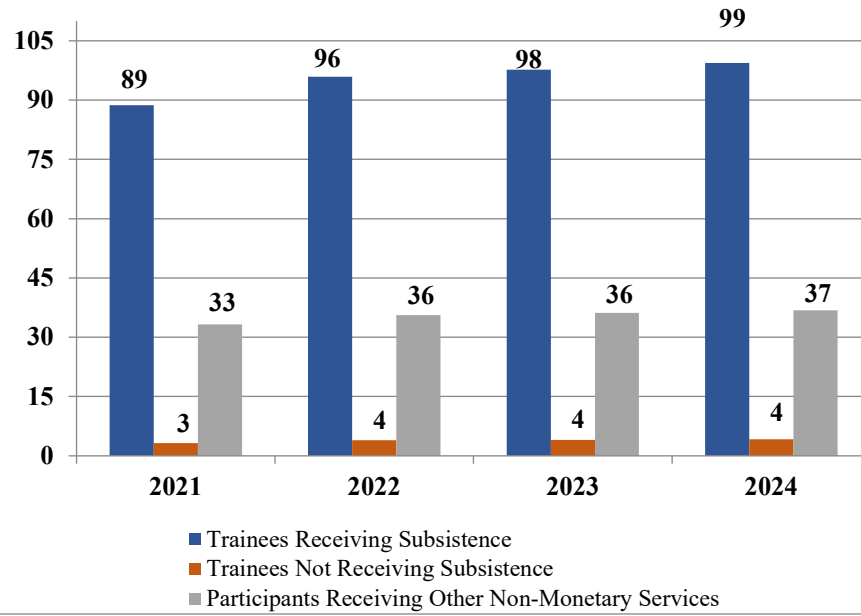
In 2021, 125,144 Veterans and Service members received benefits and services under the VR&E program. Of these, 91,915 received monetary benefits totaling \$1.4 billion. The number of participants receiving monetary benefits is anticipated to increase to 99,856 for a total of \$1.7 billion in 2022, 101,750 for a total of \$1.7 billion in 2023, and 103,599 for a total of \$1.8 billion in 2024.

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 accounts for 42% 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 Number of Trainees by Type (000s)



Summary of Readjustment Benefit Requirements

(obligations in thousands)

	2021			2022		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
Education Total ^{1/}	840,740	\$12,634	\$10,622,231	811,709	\$12,543	\$10,181,260
Chapter 33	610,009	\$14,985	\$9,141,053	562,246	\$14,772	\$8,305,425
Chapter 35	167,567	\$6,675	\$1,118,540	179,060	\$6,768	\$1,211,943
Sons and Daughters-Total	131,941	\$6,933	\$914,783	140,795	\$7,032	\$990,006
College	128,899	\$6,945	\$895,164	137,568	\$7,043	\$968,853
Bellow College Level	2,915	\$6,536	\$19,051	3,099	\$6,639	\$20,577
On-the-Job-Training	127	\$4,468	\$567	127	\$4,538	\$576
Spouses and Widows(ers)-Total	35,626	\$5,719	\$203,757	38,265	\$5,800	\$221,937
College ^{2/}	34,500	\$5,716	\$197,192	37,076	\$5,796	\$214,891
Bellow College Level	1,068	\$5,900	\$6,301	1,131	\$5,993	\$6,778
On-the-Job-Training	58	\$4,553	\$264	58	\$4,625	\$268
Chapter 30-Total	21,356	\$7,943	\$169,636	21,001	\$7,952	\$167,006
Veterans	16,619	\$9,153	\$152,118	16,616	\$9,041	\$150,223
Servicepersons	4,737	\$3,698	\$17,518	4,385	\$3,828	\$16,784
Reservists (1606)	37,071	\$2,620	\$97,114	35,618	\$2,665	\$94,917
VET TEC	2,658	\$14,300	\$38,010	3,653	\$14,801	\$54,069
VRRAP	2,079	\$15,417	\$32,052	10,131	\$31,444	\$318,563
Work-Study	5,849	\$3,666	\$21,444	5,802	\$4,090	\$23,732
Tuition Assistance	1,050	\$2,618	\$2,749	860	\$2,652	\$2,281
Licensing and Certification Tests	2,388	\$663	\$1,584	4,885	\$672	\$3,282
National Exams	167	\$304	\$51	137	\$308	\$42
VR&E Total (Chapter 31) ^{3/}	91,915	\$15,529	\$1,427,316	99,856	\$16,745	\$1,672,041
Subsistence Allowance	88,702	\$6,664	\$591,129	95,923	\$7,489	\$718,354
Books, Tuition, Supplies, Fees, etc.	3,213	\$9,007	\$827,920	3,933	\$9,469	\$945,518
Work-Study	1,825	\$4,529	\$8,266	2,002	\$4,080	\$8,170
Special Assistance Total			\$238,386			\$280,004
Specially Adapted Housing Grants	2,938	\$44,997	\$132,200	3,727	\$45,579	\$169,850
Automobile Grants	1,239	\$21,029	\$26,055	1,239	\$21,436	\$26,560
Adaptive Equipment	3,535	\$22,668	\$80,131	3,535	\$23,648	\$83,595
Indirect Benefits Total			\$41,311			\$47,103
Chapter 36	2,923	\$616	\$1,801	3,069	\$1,955	\$6,000
State Approving Agencies			\$24,301			\$25,770
Reporting Fees			\$14,295			\$13,795
Specially Adapted Housing Tech Grants	4	\$199,815	\$799	7	\$200,000	\$1,400
Reimbursement to GOE			\$114			\$138

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)						
	2023			2024		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
Education Total ^{1/}	819,715	\$12,806	\$10,496,950	822,557	\$13,713	\$11,279,741
Chapter 33	564,972	\$15,532	\$8,774,930	568,402	\$16,712	\$9,499,001
Chapter 35	191,393	\$7,077	\$1,354,534	200,264	\$7,258	\$1,453,514
Sons and Daughters-Total	150,271	\$7,354	\$1,105,038	157,662	\$7,539	\$1,188,541
College	146,751	\$7,365	\$1,080,820	153,920	\$7,550	\$1,162,142
Bellow College Level	3,393	\$6,959	\$23,614	3,614	\$7,133	\$25,780
On-the-Job-Training	127	\$4,757	\$604	127	\$4,876	\$619
Spouses and Widows(ers)-Total	41,122	\$6,067	\$249,496	42,602	\$6,218	\$264,972
College ^{2/}	39,843	\$6,062	\$241,547	41,251	\$6,215	\$256,362
Bellow College Level	1,221	\$6,282	\$7,668	1,293	\$6,439	\$8,323
On-the-Job-Training	58	\$4,847	\$281	58	\$4,969	\$288
Chapter 30-Total	19,542	\$8,151	\$159,276	18,202	\$8,378	\$152,498
Veterans	15,483	\$9,249	\$143,198	14,445	\$9,491	\$137,096
Servicepersons	4,058	\$3,961	\$16,078	3,757	\$4,100	\$15,402
Reservists (1606)	34,210	\$2,812	\$96,209	32,852	\$2882	\$94,675
VET TEC	2,938	\$15,319	\$45,000	2,838	\$15,855	\$45,000
VRRAP	6,661	\$5,308	\$35,358	-	-	-
Work-Study	6,099	\$4,273	\$26,061	6,171	\$4,723	\$29,147
Tuition Assistance	788	\$2,766	\$2,180	722	\$3,060	\$2,210
Licensing and Certification Tests	4,803	\$701	\$3,366	4,727	\$775	\$3,664
National Exams	113	\$321	\$36	93	\$355	\$33
VR&E Total (Chapter 31)	101,750	\$16,970	\$1,726,699	103,599	\$17,533	\$1,816,389
Subsistence Allowance	97,693	\$7,388	\$721,730	99,423	\$7,588	\$754,387
Books, Tuition, Supplies, Fees, etc.	4,057	\$9,791	\$996,263	4,176	\$10,157	\$1,052,207
Work-Study	2,040	\$4,267	\$8,706	2,078	\$4,715	\$9,796
Special Assistance Total			\$286,922			\$278,575
Specially Adapted Housing Grants	3,755	\$45,972	\$172,640	3,456	\$46,290	\$159,999
Automobile Grants	1,239	\$21,852	\$27,074	1,239	\$22,275	\$27,598
Adaptive Equipment	3,535	\$24,670	\$87,208	3,535	\$25,736	\$90,977
Indirect Benefits Total			\$47,062			\$47,888
Chapter 36	3,223	\$1,862	\$6,000	3,384	\$1,773	\$6,000
State Approving Agencies			\$26,878			\$27,497
Reporting Fees			\$14,043			\$14,247
Specially Adapted Housing Tech Grants	-	-	-	-	-	-
Reimbursement to GOE			\$141			\$144

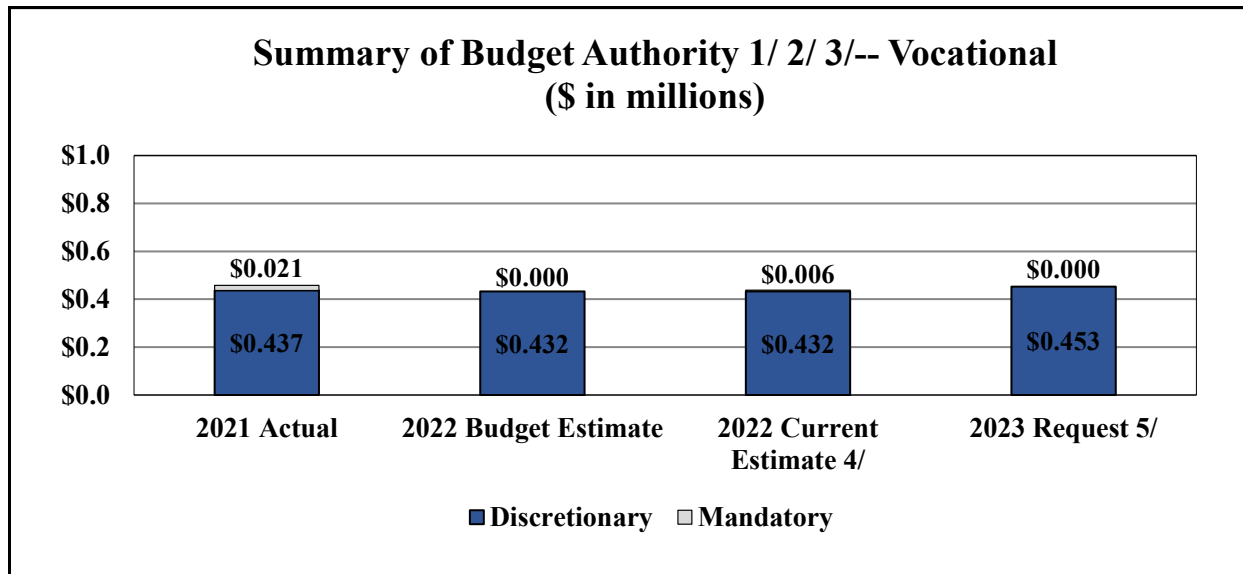
1/ Education workload is not a count of unique individuals; trainees switching education programs are counted in each program they trained in during the year. Workload is the sum of chapters, not miscellaneous education benefits such as work-study.

2/ Includes caseload and obligations for correspondence training.

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



Vocational Rehabilitation Loan Program



Notes:

- 1/ Budget authority is appropriation 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/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President’s Budget request for discretionary appropriation and funding needs based on the most recent trends and policies for mandatory appropriation.
- 5/ The 2022 President’s Budget and 2023 Request do not reflect subsidy reestimates per OMB Circular No. A-11.

Appropriation Language

For the costs of direct loans, \$7,171 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 \$942,330.

In addition, for administrative expenses necessary to carry out the direct loan program, \$445,698, which may be paid to the appropriation for “General Operating Expenses, Veterans Benefits Administration”.

Summary of Net 2022 and 2023 Estimates			
(\$ in thousands)			
	2022	2023	Increase (+) Decrease (-)
Program Account:			
Budget Authority, Discretionary	\$432	\$453	\$21
Budget Authority, Mandatory	\$6	\$0	-\$6
Outlays	\$862	\$453	-\$409
Direct Loan Financing Account:			
Financing Authority	\$487	-\$320	-\$807
Financing Disbursements	\$487	-\$320	-\$807

Summary of Budget Request

The appropriation of \$453,000 is requested to provide subsidy payments of \$7,170 to the Vocational Rehabilitation Direct Loan Financing Account and to reimburse \$445,698 to the appropriation fund for VBA's General Operating Expenses (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).⁸ 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 \$1,085 per participant in 2021. 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 most 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 the Debt Management Center for collection.

⁸ In 2020, VA changed VR&E's name from the "Vocational Rehabilitation and Employment Program" to the "Veteran Readiness and Employment Program." However, VA retained the Vocational Rehabilitation Loan Program name for MAX database budgeting purposes.

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 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.

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.

Summary of Appropriation Highlights – Program Account					
(\$ in thousands)					
	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations					
Direct loan subsidy	\$8	\$3	\$3	\$7	\$4
Upward Reestimates	\$10	\$0	\$0	\$0	\$0
Interest on Reestimates	\$11	\$0	\$5	\$0	-\$5
Administrative expenses	\$424	\$429	\$429	\$446	\$16
Total obligations	\$453	\$432	\$438	\$453	\$15
Unobligated Balance:					
Start of year	\$0	\$0	\$5	\$5	\$0
End of year	\$5	\$0	\$5	\$5	\$0
Budget authority (net)	\$458	\$432	\$438	\$453	\$15
Obligated Balance:					
Start of year	\$0	\$0	\$424	\$0	-\$424
End of year	\$424	\$0	\$0	\$0	\$0
Outlays (net)	\$29	\$432	\$862	\$453	-\$409
Appropriations, discretionary	\$437	\$432	\$432	\$453	\$21
Appropriations, mandatory	\$21	\$0	\$6	\$0	-\$6
Workload:					
Number of loans established	546	1,570	1,570	870	-\$699
Average loan amount (dollars)	\$1,085	\$1,059	\$1,059	\$1,083	\$23
Total Loan Amount	\$592	\$1,663	\$1,663	\$942	-\$720
Loan subsidy rate	1.37%	0.17%	0.17%	0.76%	0.59%
FTE:					
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 0.76% for new loans in 2023. The average default rate for these loans is expected to be 0% because all the loans will be fully repaid from other VBA payments to the borrowers. The subsidy rate supports funding an estimated 870 new loans with an average loan

size of \$1,083 and a face value of \$942,329 for a subsidy cost of \$7,170. VBA requests \$446,000 for three full-time employees (FTEs) to administer the program.

Changes from Original 2022 Budget Estimate

For the Credit Program Account, the current 2022 budget authority of \$438,000 shows a slight increase of \$6,000 from the original 2022 budget estimate.

Analysis of Increases and Decreases – Outlays (\$ in thousands)		
	2022 Estimate	2023 Request
Prior year outlays (net)	\$29	\$862
Increases (+) and Decreases (-)		
Loan Subsidy	-\$5	\$4
Upward Reestimates	-\$16	-\$5
Administrative expense	\$5	\$16
Change in obligated balance/other	\$849	-\$424
Net Change	\$833	-\$409
Estimated Outlays (net)	\$862	\$453

The 2022 net outlays are projected to increase by \$833,000 primarily due to a \$849,000 change in obligated balance. The change in obligated balance is indicative of a lack of expenditure transfers for obligations incurred for administrative expenses in 2021. The subsidy rate is projected to decrease (0.17% versus 1.37%), and the average loan amount is projected to decrease (\$1,059 vs. \$1,085) in 2022 from 2021. In addition, the number of loan disbursements is projected to increase (1,570 versus 546); and the amount of loan obligations is projected to increase (\$1.7 million in 2022 versus \$592,000 in 2021).

The 2023 net outlays are projected to decrease by \$409,000 primarily due to a \$424,000 change in obligated balance. The change in obligated balance is indicative of routine expenditure transfers for obligations incurred for administrative expenses as of 2023. The change in the loan subsidy estimate reflects an increase in the 2023 subsidy rate to 0.76%, compared with the 2022 subsidy rate of 0.17%. The upward subsidy reestimates of 2023 will not be calculated until the 2024 President’s budget is formulated in 2023.

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.

Financial Summary (\$ in thousands)					
	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Direct loans	\$592	\$1,663	\$1,663	\$942	-\$720
Downward Reestimates	\$0	\$0	\$89	\$0	-\$89
Interest on Downward Reestimates	\$0	\$0	\$2	\$0	-\$2
Interest on Treasury borrowing	\$36	\$0	\$0	\$0	\$0
Total obligations	\$628	\$1,663	\$1,754	\$942	-\$812
Unobligated Balance:					
Start of year	\$509	\$0	\$657	\$0	-\$657
End of year	\$657	\$0	\$0	\$0	\$0
Obligated Balance:					
Start of year	\$6	\$6	\$3	\$3	\$0
End of year	\$6	\$6	\$3	\$3	\$0
Offsetting Collections:					
Loan Repayments	\$613	\$1,986	\$1,236	\$1,231	-\$5
Interest on Uninvested Funds	\$36	\$33	\$23	\$24	\$1
Payments from Program Account	\$8	\$3	\$3	\$7	\$4
Upward Reestimates	\$21	\$0	\$6	\$0	-\$6
Total offsetting collections	\$678	\$2,022	\$1,267	\$1,262	-\$5
Financing:					
Financing authority, net	\$608	-\$359	\$487	-\$320	-\$807
Financing disbursements, net	-\$47	-\$359	\$487	-\$320	-\$807

Summary of Off-Budget Financing Account

Direct loan obligations are estimated to be \$942,000 in 2023, a decrease of \$720,000 from the 2022 level. The decrease in direct loan obligations is due to a decrease in the number of loans that are estimated to be established (870 in 2023 versus 1,570 in 2022).

Offsetting collections in 2023 are estimated to be \$1.3 million, a decrease of \$5,000 from the 2022 level. This is due to decreases of \$5,000 in loan repayments and of \$6,000 in upward reestimates, with offsetting increases of \$1,000 in interest on uninvested funds and \$4,000 in payments from program account.

The 2023 offsetting collections of \$1.3 million are estimated to exceed the related obligations of \$942,000, resulting in a net financing authority of negative \$320,000.

Analysis of Increases and Decreases – Financing Disbursements		
(\$ in thousands)		
	2022 Estimate	2023 Request
Prior year Financing Disbursement (net)	-\$47	\$487
Increases (+) and Decreases (-)		
Obligations:		
Direct loans	\$1,071	-\$720
Downward Reestimates	\$91	-\$91
Interest on Treasury borrowing	-\$36	\$0
Subtotal Obligations	\$1,126	-\$812
Offsetting collections		
Loan Repayments	-\$623	\$5
Interest on Uninvested Funds	\$13	-\$1
Payments from Program Account	\$5	-\$4
Upward Reestimates	\$16	\$6
Change in obligated balance/other	-\$2	\$0
Subtotal Offsetting Collections	-\$592	\$5
Net Change	\$534	-\$807
Estimated Financing Disbursement (net)	\$487	-\$320

The 2022 net financing disbursements are estimated to increase by \$534,000, which is primarily due to an increase in obligations of \$1.1 million, with an offsetting increase in offsetting collections of \$592,000.

The 2023 net financing disbursements are estimated to decrease by \$807,000, which is primarily due to a decrease in obligations of \$812,000. The annual reestimates for 2023 will not be calculated until the 2024 President's budget is formulated in 2023.



Post-Vietnam Era Veterans' Education Account

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).

VEAP 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.

Post-Vietnam Era Veterans’ Education Program Fund Highlights and Caseload Summary (\$ in thousands)					
	2021	2022		2023	Increase (+) Decrease (-)
	Actual	Budget Estimate	Current Estimate	Estimate	
Obligations:					
Disenrollments	\$756	\$64	\$1,444	\$1,430	-\$14
Budget Authority (trust fund, indefinite)	\$0	\$0	\$0	\$0	\$0
Outlays	\$694	\$64	\$1,453	\$1,412	-\$42
Unobligated balance:					
Start of year	\$61,522	\$61,456	\$60,766	\$59,322	-\$1,444
End of year	\$60,766	\$61,392	\$59,322	\$57,892	-\$1,430
Caseload/Participants					
Disenrollments	831	22	1,060	1,049	-11
Participants, end of year	114,266	115,292	113,206	112,157	-1,049
Average Payments (whole dollars)					
Disenrollments	\$910	\$2,893	\$1,363	\$1,363	\$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 2023. 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 \$1.4 million for 1,049 disenrollment refunds in 2023.

Changes from the Original 2022 Estimate

Current estimated obligations for 2022 increased by \$1.4 million from the original estimate due to an increase in the number of disenrollment refunds (1,060 vs. 22). The increase in disenrollment refunds is due to Education Service’s efforts to contact Veterans who are entitled to a refund for unused contributions. Education Service is also providing instructions on how these Veterans can request the refund. This outreach effort began in 2021 and resulted in a significant increase in disenrollment refunds. Estimates for 2022 increased based on this ongoing outreach effort.

Post-Vietnam Era Veterans' Education Program Analysis of Increases and Decreases (\$ in thousands)		
	2022 Estimate	2023 Estimate
Prior year obligations	\$756	\$1,444
Disenrollments	\$688	-\$14
Net change	\$688	-\$14
Estimated obligations	\$1,444	\$1,430

Analysis of Increases and Decreases

In 2023, obligations are projected to be \$1.4 million, a decrease of \$14,354 from the 2022 level of \$1.4 million. Disenrollment obligations (refunds) are projected to decline by \$14,354 due to fewer participants disenrolling (1,049 vs. 1,060). 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.

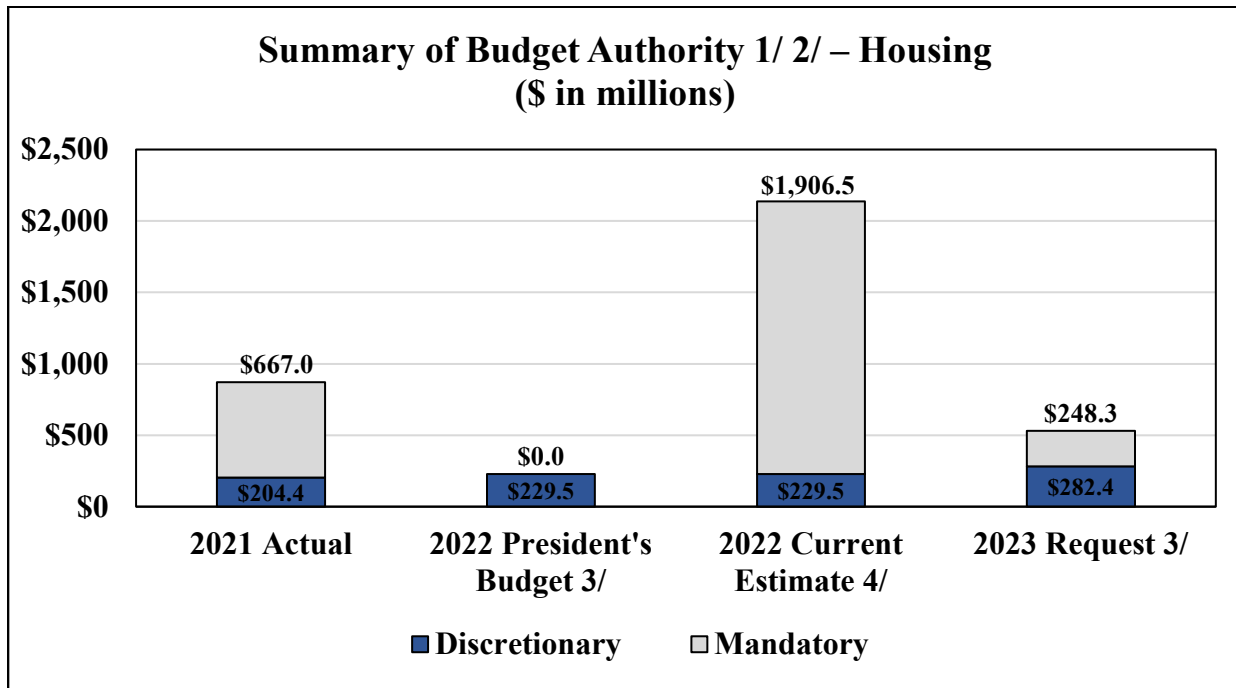
Program Highlights

For budget purposes, no future training is anticipated in the program. During 2023, 1,049 participants are expected to disenroll from this program and receive \$1.4 million 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 comprises appropriation for loan administrative expenses and loan subsidies.
- 3/ The 2022 President’s Budget and 2023 Request do not reflect subsidy reestimates per OMB Circular No. A-11.
- 4/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President’s Budget request for discretionary appropriation and funding needs based on the most recent trends and policies for mandatory appropriation.

Appropriation Language

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 2023, 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, \$282,361,131.

Housing Mortgage Loan Programs
Summary of Appropriation Highlights
(\$ in thousands)

	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Liquidating Account	\$270	\$873	\$382	\$0	-\$382
Program Account	\$871,380	\$229,500	\$2,136,033	\$530,630	-\$1,605,403
Total Obligations	\$871,650	\$230,373	\$2,136,415	\$530,630	-\$1,605,785
Budget Authority:					
Mandatory, Program Account	\$667,034	\$0	\$1,906,533	\$248,269	-\$1,658,264
Mandatory, Liquid. Account	-\$5,483	-\$4,767	-\$4,159	\$0	\$4,159
Discretionary Program Account	\$204,400	\$229,500	\$229,500	\$282,361	\$52,861
Total Budget Authority (net)	\$865,951	\$224,733	\$2,131,874	\$530,630	-\$1,601,244
Outlays:					
Liquidating Account	-\$6,395	-\$4,767	-\$3,357	\$0	\$3,357
Program Account	\$726,807	\$229,500	\$2,324,527	\$530,630	-\$1,793,897
Total Outlays (net)	\$720,412	\$224,733	\$2,321,170	\$530,630	-\$1,790,539
Number of Loan Guarantees ⁹	3,565,129	4,043,194	3,924,061	4,103,528	179,466

Summary of Budget Request

The 2023 appropriation request of \$530.6 million is for estimated discretionary and mandatory funding for housing loan program operations of the Department of Veterans Affairs (VA). The mandatory appropriation request is \$248.3 million because new VA home loans have a positive subsidy rate in 2023. The discretionary appropriation request is \$282.4 million.

The discretionary appropriation request of \$282.4 million will fund administrative spending and investments by the Office of General Counsel (OGC), the Office of Information and Technology (OIT), and the Veterans Benefits Administration (VBA) at VA.

The housing loan guarantee program subsidy is the government's cost of guaranteeing loans, net of recoveries, on a net present value basis. In 2023, the loan guarantee subsidy rate is an estimated 0.08% to support 994,891 new loan guarantees with a face value of \$314.7 billion and an average loan size of \$316,325. Annual appropriations are needed to fund the associated loan guarantee subsidy amount. The Housing Loan Program Data Summary table below shows the information for fiscal years 2021 to 2023.

⁹ Source: WebLGY and Funding Fee Payment System (FFPS), the number of active VA home loans annually.

Housing Loan Program Data Summary					
(\$ in thousands)					
	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Veterans Housing Benefit Program:					
Guaranteed Loans:					
Subsidy rate	-0.50%	-0.08%	-0.08%	0.08%	0.16%
Number of guaranteed loans	1,361,414	968,977	981,532	994,891	13,359
Amount of guaranteed loans	\$422,797,982	\$301,012,801	\$305,293,440	\$314,709,302	\$9,415,862
Average loan amount (dollars)	\$310,558	\$310,650	\$311,038	\$316,325	\$5,288
Loan Sales Securities:					
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
Direct Loans:					
Acquired Loans:					
Subsidy rate	-1.57%	-1.91%	-1.91%	7.62%	9.53%
Number of Loans	0	77	79	90	11
Total amount of loans	\$0	\$28,433	\$28,337	\$33,026	\$4,690
Average loan amount (dollars)	\$0	\$366,939	\$358,690	\$366,577	\$7,888
Vendee Loans:					
Subsidy rate	-22.54%	-27.09%	-27.09%	-26.29%	0.80%
Number of Loans	30	79	554	577	23
Total amount of loans	\$7,459	\$16,416	\$167,884	\$178,893	\$11,009
Average loan amount (dollars)	\$248,642	\$207,148	\$303,039	\$309,824	\$6,785

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 2023, VA expects to issue no new loan sales securities and related guarantees; thus, VA has no appropriation request for the loan sales securities program in 2023.

The direct loan program consists of the Acquired and Vendee 30-year, fixed-rate 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 a 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 2023, the Acquired direct loan subsidy rate is an estimated 7.62% to finance 90 new direct loans with a face value of \$33.0 million and an average loan size of \$366,577. In 2023, the Vendee direct

loan subsidy rate is an estimated -26.29% to finance 577 new direct loans with a face value of \$178.9 million and an average loan size of \$309,824.

A negative subsidy rate is estimated for the Vendee direct loan program in 2023; thus, this direct loan program requires no subsidy appropriation. The program's net interest income assumptions drive the subsidy rate estimate for 2023.

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, VA has no appropriation request for the housing transitional loan program in 2023.

Federal Credit Reform

The Federal Credit Reform Act of 1990 (FCRA) (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. Under the 1990 act, the expected budgetary costs of loans or loan guarantees must be recognized in the budget when direct loans are made or Federal loan guarantees are issued. Thus, the cost of loan defaults and interest subsidies must now be estimated and recorded on a present-value basis when loans are made or loan guarantees issued. The initial estimates must be adjusted, based on collection and risk experience, throughout the life of the loan or the loan guarantee. To accomplish these objectives, the VA housing loan program is separated into six accounts: Credit Program Account, Guaranteed Loan Financing Account, Direct Loan Financing Account, Loan Sales Securities Guaranteed Loan Financing Account, Liquidating Account, and 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 to 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 it 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% 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 guarantee amount for a borrower with full entitlement (first-time users of the program or users whose entitlement is fully restored) is as follows:

- 50% 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% of the loan amount for loans greater than \$56,250, but not more than \$144,000, or
- 25% 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. These remedial actions benefit Veterans by allowing them to retain their homes and minimize damages to their credit ratings, as well as the government through cost savings that result from foreclosure avoidance.

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 loan fee structure table below. 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 38 U.S.C. 3712 or to loan assumptions.

Loan Fee Structure for VA-Guaranteed Loans		
	Veterans	Reservists
First Time Use		
Down Payment		
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 January 13, 2031	2.15%	2.15%
- On or after January 14, 2031	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 January 13, 2031	1.50%	1.50%
- On or after January 14, 2031	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	1.45%	1.45%
- April 7, 2023 through January 13, 2031	1.25%	1.25%
- On or after January 14, 2031	0.50%	0.50%
Second and Subsequent Use		
Down Payment		
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 January 13, 2031	3.30%	3.30%
- On or after January 14, 2031	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 January 13, 2031	1.50%	1.50%
- On or after January 14, 2031	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 January 13, 2031	1.25%	1.25%
- On or after January 14, 2031	0.50%	0.50%
Refinancing Loans		
Interest Rate Reduction	0.50%	0.50%
Other		
Assumptions (loan transfer to new borrower with securing property sale)	0.50%	0.50%
Service-connected Veterans	0.00%	0.00%

Note: Cash-Out Refinance and Subsequent Use rates are assigned the less than 5-percent Down Payment rates. Service-connected Veterans are in-receipt of or eligible for service-connected disability compensation.

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 or to pay market interest rates. Direct loans have no loan size limits. Any VA borrower, who can be a Veteran, Service member, Surviving Spouse, or property buyer, pays a funding fee rate of 2.25% of the direct loan amount unless exempt due to receipt of service-connected disability compensation, in accordance with 38 U.S.C. 3729(b)(2)(J), the Loan Fee Structure table, and section 3729(c), Waiver of Fee. Housing loan guarantee and direct loan programs are supervised by VA and are administered, respectively, by lenders and 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 and who were receiving active duty pay in lieu of VA compensation. 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 guarantee funding fee rate for subsequent loans at 2.8% for such loans closed in fiscal year 2012 only. VOW (Veterans Opportunity to Work) to Hire Heroes Act of 2011 (P.L. 112-56), Section 265, enacted in November 2011, superseded P.L. 112-26 and extended 2011 loan guarantee 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 rates¹⁰.
- The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154), section 702(c), reinstated the method VA used to calculate the maximum guarantee amount that expired on December 31, 2011. This reinstatement of the method to calculate maximum guarantee amount was effective August 6, 2012 through December 31, 2014.
- The Blue Water Navy Vietnam Veterans Act of 2019 (P.L. 116-23), Section 6, amended 38 U.S.C. § 3703(a)(1) by removing the guarantee loan limit for loans greater than \$144,000 for Veterans with full guarantee entitlement available, thereby enabling such Veterans to obtain a zero down-payment loan with a 25% VA guarantee (25% of the loan amount) when they live in a high-cost area. That is, essentially the guarantee limits for the VA loan (i.e., the limitations based upon the Freddie Mac Conforming Loan Limit)

¹⁰ 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.

were eliminated for primary residences. In previous years, borrowers were required to make down payments if they obtained loans above the limits.

- P.L. 116-23, section 6(b), made several changes to the loan fee table, including temporarily increasing certain categories of loans – not including interest rate reduction refinancing loans (IRRRLs), assumptions, and direct loans – ranging from 0.15 through 0.30%, 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 Servicemembers on active duty who have received the Purple Heart and provide evidence of such award on or before the date of loan closing.
- 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.
- The Protecting Affordable Mortgages for Veterans Act of 2019 (P.L. 116-33), revised the loan seasoning requirements first outlined in Section 309 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (P.L. 115-174), and found at 38 U.S.C. § 3709(c)(2). P.L. 116-33, clarified that the 210-day seasoning requirement for VA-guaranteed refinance loans should be calculated from the due date of the first payment of the loan being refinanced. It also added a statutory requirement that the borrower have made six *consecutive* monthly payments, rather than just six-monthly payments.
- 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 Responsible Education Mitigating Options and Technical Extensions (REMOTE) Act (P.L. 117-76), Section 6, adjusts certain loan fees required under 38 U.S.C. § 3729(b) that were scheduled to decrease October 1, 2030. Section 6 delays the decrease approximately three months, until January 14, 2031.

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 guarantee amount is the lesser of 40% of the loan amount or \$20,000. Veterans are charged a funding fee of 1% of the loan amount.

The Guaranteed Transitional Housing Loan program was established by P.L. 105-368, the “Veterans Programs Enhancement Act of 1998.” 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 amount 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 reasonable fee(s).

Housing Liquidating and Program Accounts
Summary of Appropriation Highlights
(\$ in thousands)

	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Liquidating:					
Program Obligations	\$270	\$873	\$382	\$0	-\$382
Unobligated Balance:					
Start of year	\$973	\$0	\$953	\$0	-\$953
End of year	\$953	\$0	\$0	\$0	\$0
Transfer to General Fund	-\$6,456	-\$4,767	-\$5,111	\$0	\$5,111
Offsetting Collections	\$6,705	\$5,640	\$4,541	\$0	-\$4,541
Budget Authority (net)	-\$5,483	-\$4,767	-\$4,159	\$0	\$4,159
Outlays (net)	-\$6,395	-\$4,767	-\$3,357	\$0	\$3,357
Housing Program:					
Loan Subsidy Obligations:					
Veterans Housing Guaranteed	\$0	\$0	\$0	\$245,753	\$245,753
Veterans Housing Loan Sales	\$0	\$0	\$0	\$0	\$0
Veterans Housing Direct Acquired	\$0	\$0	\$0	\$2,517	\$2,517
Veterans Housing Direct Vendee	\$0	\$0	\$0	\$0	\$0
Veterans Housing Transitional Loans	\$0	\$0	\$0	\$0	\$0
Loan Subsidy Modifications:					
Veterans Housing Guaranteed	\$68,000	\$0	\$0	\$0	\$0
Upward Reestimates, including interest:					
Veterans Housing Guaranteed	\$588,863	\$0	\$1,880,497	\$0	-\$1,880,497
Veterans Housing Loan Sales	\$0	\$0	\$2,147	\$0	-\$2,147
Veterans Housing Direct Acquired	\$7,680	\$0	\$7,844	\$0	-\$7,844
Veterans Housing Direct Vendee	\$2,491	\$0	\$16,045	\$0	-\$16,045
Administrative Expenses:					
Veterans Benefits Administration	\$143,980	\$165,406	\$165,406	\$169,682	\$4,276
General Counsel	\$3,800	\$3,975	\$3,975	\$4,950	\$975
Information Technology	\$56,566	\$60,118	\$60,118	\$107,729	\$47,611
Obligations	\$871,380	\$229,500	\$2,136,033	\$530,630	-\$1,605,403
Unobligated Balance:					
Start of year	\$59,408	\$0	\$56,487	\$56,434	-\$54
Unobligated Balance Unexpired	-\$2,974	\$0	\$0	\$0	\$0
End of year	\$56,487	\$0	\$56,434	\$56,434	\$0
Budget Authority (net)	\$871,434	\$229,500	\$2,135,979	\$530,630	-\$1,605,349
Obligated Balance:					
Start of year	\$43,921	\$0	\$188,494	\$0	-\$188,494
End of year	\$188,494	\$0	\$0	\$0	\$0
Outlays (net)	\$726,807	\$229,500	\$2,324,527	\$530,630	-\$1,793,897
Total Obligations	\$871,650	\$230,373	\$2,136,415	\$530,630	-\$1,605,785
Budget Authority:					
Appropriation, mandatory	\$667,034	\$0	\$1,906,533	\$248,269	-\$1,658,264
Appropriation, discretionary	\$204,400	\$229,500	\$229,500	\$282,361	\$52,861
Liquidating Account	-\$5,483	-\$4,767	-\$4,159	\$0	\$4,159
Total Budget Authority (net)	\$865,951	\$224,733	\$2,131,874	\$530,630	-\$1,601,244
Total Outlays (net)	\$720,412	\$224,733	\$2,321,170	\$530,630	-\$1,790,539

Note: The budget authority funds VA to use about 30 foreclosed houses annually for emergency disaster relief.

Detail of Budget Request – On-Budget

In 2023, VA requests no appropriation funding for liquidating loan account because all the underlying liquidating loans were liquidated in 2021. The liquidating loans are direct loans and loan guarantees prior to 1992.

In 2023, the budget authority of \$530.6 million is requested to fund the credit program subsidy of \$248.3 million and administrative expenses of \$282.4 million. The funds are needed to finance payments for estimated VA loan foreclosures, loan disbursements, and administrative spending and investments. There are no subsidy appropriation requests to fund new Vendee direct loans, loan sales securities, 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 amortized over 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) anticipated throughout the lifecycle of the loan. The loan cash inflows and outflows are estimated annually over a 30-year period.

Generally, a budget request for loan subsidy is computed as the product of a subsidy rate and the related loan volume. 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 2022 Budget Estimate

For the Credit Program Account, the current 2022 budget authority of \$2.1 billion is an increase of \$1.9 billion from the original 2022 budget estimate of \$224.7 million. The change reflects the estimation of upward reestimates for the direct loans and loan guarantees.

Housing Liquidating and Program Accounts
Analysis of Increases and Decreases - Outlays
(\$ in thousands)

	2022 Estimate	2023 Request
Prior Year Outlays	\$720,412	\$2,321,170
Liquidating:		
Liquidating Obligations	\$113	-\$382
Liquidating Collections	\$2,164	\$4,541
Liquidating Change in Obligated Balance	\$761	-\$801
Change in Uncollected Customer Payments	\$0	\$0
Subtotal:	\$3,038	\$3,357
Housing Program:		
Guaranteed Loan Subsidy	\$0	\$245,753
Loan Sales Securities Subsidy	\$0	\$0
Direct Acquired Loan Subsidy	\$0	\$2,517
Direct Vendee Loan Subsidy	\$0	\$0
Transitional Housing Loan Subsidy	\$0	\$0
Loan Modification Subsidy	-\$68,000	\$0
Subtotal:	-\$68,000	\$248,269
Upward Reestimates, with Interest:		
Guaranteed Loans	\$1,291,634	-\$1,880,497
Loan Sales Securities	\$2,147	-\$2,147
Direct Acquired Loans	\$164	-\$7,844
Direct Vendee Loans	\$13,555	-\$16,045
Subtotal:	\$1,307,499	-\$1,906,533
Change in Obligated Balance/other	\$401,067	-\$436,763
Administrative Expenses	\$25,154	\$52,861
Net Change	\$1,600,757	-\$1,790,539
Estimated Outlays (net)	\$2,321,170	\$530,630

The 2022 net outlays of the housing programs are projected to increase by \$1.6 billion from the 2021 level. This is primarily due to the increases in outlays for upward reestimates by \$1.3 billion and change in obligated balance by \$401.1 million. Offsetting the increase in outlays is the decrease in loan subsidy modification of \$68.0 million.

The 2023 net outlays of the housing programs are projected to decrease by \$1.8 billion from the

2022 level. This is primarily due to the decrease in outlays for upward reestimates by \$1.9 billion. Offsetting the decrease in outlays is the increase in subsidy of \$248.3 million and the increase in administrative spending of \$52.9 million. The administrative expenses increase is primarily due to program growth, resulting in a need for personnel and technology investments. Upward reestimates for 2023 will be calculated during the 2024 President’s Budget formulation in 2023.

Housing Loan Financing Accounts					
Financial Summary					
(\$ in thousands)					
	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Guaranteed Loans:					
Obligations	\$4,615,564	\$2,963,789	\$6,899,896	\$3,447,027	-\$3,452,870
Collections	\$4,352,101	\$4,197,289	\$6,115,329	\$4,953,665	-\$1,161,664
Financing Authority (net)	\$2,583	\$0	\$0	\$0	\$0
Financing Disbursements (net)	\$283,780	-\$1,237,788	\$773,876	-\$1,448,802	-\$2,222,677
Loan Sales Securities:					
Obligations	\$81,271	\$4,093	\$7,836	\$2,955	-\$4,881
Collections	\$711	\$8,033	\$2,965	\$861	-\$2,104
Financing Authority (net)	\$0	\$0	\$0	\$0	\$0
Financing Disbursements (net)	\$80,469	-\$3,940	\$5,230	\$2,093	-\$3,136
Direct Loans:					
Obligations	\$83,536	\$78,846	\$278,797	\$290,651	\$11,854
Collections	\$88,589	\$26,326	\$54,119	\$39,721	-\$14,398
Financing Authority (net)	\$34,200	\$52,521	\$224,678	\$250,930	\$26,252
Financing Disbursements (net)	-\$2,000	\$52,462	\$222,117	\$250,612	\$28,494
Transitional Housing					
Obligations	\$432	\$192	\$487	\$189	-\$297
Collections	\$482	\$463	\$484	\$478	-\$6
Financing Authority (net)	-\$89	-\$91	-\$96	-\$96	\$0
Financing Disbursements (net)	-\$50	-\$271	\$3	-\$289	-\$292
Housing Financing Accounts Totals:					
Obligations	\$4,780,802	\$3,046,919	\$7,187,016	\$3,740,822	-\$3,446,194
Collections	\$4,441,883	\$4,232,110	\$6,172,897	\$4,994,725	-\$1,178,171
Financing Authority (net)	\$36,694	\$52,429	\$224,582	\$250,834	\$26,252
Financing Disbursements (net)	\$362,199	-\$1,189,537	\$1,001,225	-\$1,196,385	-\$2,197,611

Note: VA home loan foreclosure transitory effects because of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) mortgage provisions are informed by actual claim activities, updates to VA loan model economic forecasts, and special VA payment forbearance programs for borrowers exiting the CARES Act forbearance programs.

Detail of Financing Accounts – Off-Budget

In 2023, new loan guarantees have an estimated subsidy rate of 0.08% to support 994,891 new loan guarantees with a face value of \$314.7 billion. The positive subsidy rate is a function of VA loan funding fee rate averages and revised economic assumptions for budget estimates. In theory, an estimated subsidy rate is sensitivity to changes in funding fee rate averages and economic

assumption trends.

Multiple laws have altered the structure of the Financing Accounts:

- 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 also increased the maximum guarantee amount for cash-out refinance loan guarantees to the same maximum guarantee amount for purchase loan guarantees. The law authorized a cash-out refinance loan guarantee for up to 100% of an appraised home value.
- 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 and who were receiving active duty pay in lieu of VA compensation.
- The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154).
 - Section 206 extended the home loan guarantee 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).
 - Sections 208 and 209 subsequently made permanent VA's authority to guarantee ARMs and HARMs.
 - Section 210 amended 38 U.S.C. 3729(c) to allow 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 guarantee 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).
 - 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 Veterans Benefits Act of 2003 (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% to 85% 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 Department of Veterans Affairs Expiring Authorities Act of 2015 (P.L. 114-58) through September 30, 2016, by P.L. 114-228 through September 30, 2017, and by P.L. 115-62 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% to 85% maximum, and 50% minimum) to marketing targets. (This is applicable to VA's use of the Vendee program to provide government mortgage financing for the sale of a VA Acquired property.)
 - 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).
- The National Defense Authorization Act for Fiscal Year 2021 (P.L. 116-283), section 926, amended various references in title 38 of the United States Code, including sections 3701, 3712, 3729, 2101A and 101 to incorporate references to the newly established Space Force and Space Force Reserve.
- The Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315)
 - Section 2001 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 Guarantee 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.

- 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 or more 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.

Analysis of Financing Account Increases and Decreases
Non-Budgetary Disbursements
(\$ in thousands)

	2022 Estimate	2023 Request
Prior Year Net Disbursements	\$362,199	\$1,001,225
Veterans Housing Financing Accounts:		
Guaranteed Loans:		
Obligations	\$2,284,333	-\$3,452,870
Offsetting collections	-\$1,763,228	\$1,161,664
Change in Obligated Balances	-\$31,840	\$68,528
Change in Uncollected Customer Payments	\$831	\$0
Subtotal:	\$490,096	-\$2,222,677
Loan Sales Securities:		
Obligations	-\$73,435	-\$4,881
Offsetting collections	-\$2,254	\$2,104
Change in Obligated Balances	\$450	-\$359
Change in Uncollected Customer Payments	\$0	\$0
Subtotal:	-\$75,239	-\$3,136
Direct Loans:		
Obligations	\$195,261	\$11,854
Offsetting collections	\$34,470	\$14,398
Change in Obligated Balances	-\$5,614	\$2,146
Change in Uncollected Customer Payments	\$0	\$96
Change in Prior Year Recoveries	\$0	\$0
Subtotal:	\$224,117	\$28,494
Transitional Housing:		
Obligations	\$55	-\$297
Offsetting collections	-\$2	\$6
Change in Obligated Balances	-\$1	\$0
Change in Uncollected Customer Payments	\$0	\$0
Subtotal:	\$52	-\$292
Net Change	\$639,027	-\$2,197,611
Estimated Net Disbursements	\$1,001,225	-\$1,196,385

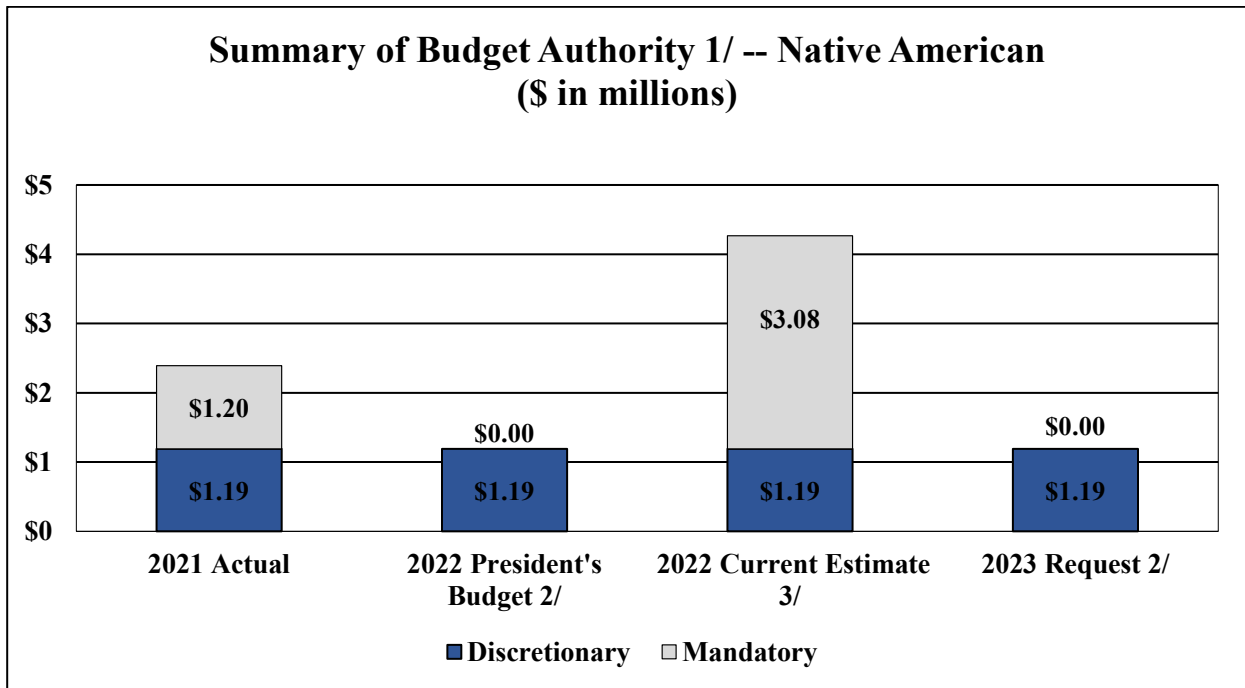
The 2022 net disbursements are projected to increase by \$639.0 million because of increases in loan obligations for future VA claims. The net disbursements for guaranteed loans are projected to increase by \$490.1 million because of an increase in obligations of \$2.3 billion and an increase in offsetting collections of \$1.8 billion. The obligation increase reflects the spending effects of the special VA payment forbearance programs (partial claims and COVID-19 waterfall refund

programs). The net disbursements for loan sales securities are projected to decrease by \$75.2 million because of a decrease in obligations of \$73.4 million. The net disbursements for direct loans are projected to increase by \$224.1 million because of an increase in obligations of \$195.3 million.

The 2023 net disbursements are projected to decrease by \$2.2 billion because of decreases in loan obligations. The net disbursements for loan guarantees are projected to decrease by \$2.2 billion because of the decrease in the obligations of \$3.5 billion and the decrease in offsetting collections of \$1.2 billion. The disbursement decrease is due to reduction in obligations in 2023 for the special VA payment forbearance programs. The offsetting collection decrease mainly reflects the timing effect of upward reestimates. The net disbursements for loan sales securities are projected to decrease by \$3.1 million because of the decrease in obligations of \$4.9 million. The net disbursements for direct loans are projected to increase by \$28.5 million because of the increase in obligations of \$11.8 million and the decrease in offsetting collections of \$14.4 million. Upward reestimates for 2023 will be calculated during the 2024 President's Budget formulation in 2023.



Native American Veterans Loan Program



Notes:

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

2/ The 2022 President's Budget and 2023 Request do not reflect subsidy reestimates per OMB Circular No. A-11.

3/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President's Budget request for discretionary appropriation and funding needs based on the most recent trends and policies for mandatory appropriation.

Appropriation Language

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.

Summary of Net 2022 and 2023 Estimates (\$ in thousands)			
	2022	2023	Increase (+) Decrease (-)
Program Account:			
Budget Authority, Discretionary	\$1,186	\$1,186	\$0
Budget Authority, Mandatory	\$3,078	\$0	-\$3,078
Outlays	\$5,430	\$1,186	-\$4,244
Direct Loan Financing Account:			
Financing Authority	\$6,019	\$8,830	\$2,811
Financing Disbursements	\$8,510	\$8,306	-\$204

Summary of Budget Request

The appropriation 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 2023. In addition, the program's unobligated indefinite subsidy budget authority brought forward as of October 1, 2021, 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% 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 the Department of Veterans Affairs (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 was extended by three subsequent laws¹¹, and made permanent by the Veterans Housing Opportunity and Benefits Act of 2006 (P.L. 109-233).

¹¹Veterans Benefits Act of 1997, P.L. 105-114, the Veterans Education and Benefits Expansion Act of 2001, P.L. 107-103, and the Veterans Benefits Improvement Act of 2004, P.L. 108-454.

Federal Credit Reform

The Federal Credit Reform Act of 1990 (P.L. 101-508), changed the accounting for Federal credit programs to measure more accurately 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.

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 account 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.

Native American Direct Loan Program Account					
Summary of Appropriation Highlights					
(\$ in thousands)					
	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Upward reestimates, plus interest	\$1,202	\$0	\$3,078	\$0	-\$3,078
Administrative expenses:					
Veterans Benefits Administration	\$1,166	\$1,166	\$1,166	\$1,166	\$0
General Counsel	\$20	\$20	\$20	\$20	\$0
Total administrative expenses	\$1,186	\$1,186	\$1,186	\$1,186	\$0
Total obligations	\$2,388	\$1,186	\$4,264	\$1,186	-\$3,078
Unobligated Balance:					
Start of year	-\$2,284	-\$2,284	-\$2,274	-\$2,274	\$0
End of year	\$2,274	\$2,284	\$2,274	\$2,274	\$0
Budget authority (net)	\$2,388	\$1,186	\$4,264	\$1,186	-\$3,078
Obligated Balance:					
Start of year	\$0	\$0	\$1,166	\$0	-\$1,166
End of year	\$1,166	\$0	\$0	\$0	\$0
Outlays (net)	\$1,222	\$1,186	\$5,430	\$1,186	-\$4,244
Financing:					
Appropriations, discretionary	\$1,186	\$1,186	\$1,186	\$1,186	\$0
Mandatory Indefinite	\$1,202	\$0	\$3,078	\$0	-\$3,078
Workload:					
Number of direct loans established	60	45	45	45	0
Average loan amount (dollars)	\$205,638	\$278,481	\$248,065	\$253,523	\$5,457
Amount of direct loans established	\$12,338	\$12,532	\$11,163	\$11,409	\$246
Subsidy rate, direct loans	-20.25%	-17.62%	-17.62%	-17.15%	0.47%
FTE:					
Veterans Benefits Administration	7	7	7	7	0

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

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.¹² Therefore, VA requests no loan subsidy appropriations for 2023 for the loan program.

Detail of Budget Request

To provide for origination, service, management, investment, and common overhead expenses, \$1,186,000 is required for VBA. This funding request will fund seven full-time employees (FTEs) for VBA at a cost of \$1,166,000 in payroll and non-payroll expenses. OGC will be reimbursed \$20,000 to support one full-time employee equivalent (FTEE) for the direct loan program.

Native American Direct Loan Program Account		
Analysis of Increases and Decreases – Outlays		
(\$ in thousands)		
	2022 Estimate	2023 Request
Prior year outlays (net)	\$1,222	\$5,430
Increases (+) and Decreases (-)		
Upward reestimates, including interest	\$1,876	-\$3,078
Administrative expenses	\$0	\$0
Change in obligated balance	\$2,332	-\$1,166
Net Change	\$4,208	-\$4,244
Estimated Outlays (net)	\$5,430	\$1,186

The 2022 net outlays are estimated to be \$5.4 million, which is an increase of \$4.2 million from the 2021 level. The change in net outlays is primarily due to an increase in upward subsidy reestimates of \$1.9 million and to a change in obligated balance of \$2.3 million. The change in obligated balance is due to a lack of expenditure transfers for obligations incurred for administrative expenses in 2021.

The 2023 net outlays are estimated to be \$1.2 million, which is a decrease of \$4.2 million from the 2022 level. The change in outlays is primarily due to a decrease in upward reestimates. Upward reestimates for 2023 will be calculated during the 2024 President’s Budget formulation in 2023.

¹² Mortgage portfolios’ 30-year fixed mortgage rate assumptions drive the direct loan portfolio subsidy rates.

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.

Native American Direct Loan Financing Account					
Financial Summary					
(\$ in thousands)					
	2021 Actual	2022		2023 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Direct loans	\$12,143	\$12,532	\$11,163	\$11,409	\$246
Negative subsidy	\$2,499	\$2,208	\$1,967	\$1,957	-\$10
Interest on Treasury borrowing	\$2,849	\$2,655	\$3,080	\$3,364	\$284
Property expenses	\$333	\$283	\$246	\$303	\$57
Other Expenses	\$0	\$0	\$0	\$0	\$0
Treasury Receipt account:					
Downward Reestimates	\$682	\$0	\$7	\$0	-\$7
Interest on Downward Reestimates	\$113	\$0	\$168	\$0	-\$168
Total obligations	\$18,618	\$17,677	\$16,631	\$17,033	\$402
Unobligated Balance:					
Start of year	\$9,642	\$9,642	\$13,263	\$13,263	\$0
End of year	\$13,263	\$9,642	\$13,263	\$13,263	\$0
Obligated Balance:					
Start of year	\$1,881	\$0	\$1,343	-\$1,148	-\$2,491
End of year	\$1,343	\$287	-\$1,148	-\$624	\$524
Offsetting Collections:					
Program account payments	\$1,202	\$0	\$3,078	\$0	-\$3,078
Interest on Uninvested funds	\$640	\$0	\$0	\$0	\$0
Loan repayments	\$11,371	\$4,820	\$4,561	\$4,959	\$397
Interest received on loans	\$2,201	\$3,183	\$2,864	\$3,134	\$270
Fees	\$31	\$63	\$56	\$56	\$0
Other	\$16	\$54	\$51	\$53	\$2
Total offsetting collections	\$15,460	\$8,121	\$10,612	\$8,202	-\$2,409
Financing:					
Financing authority, net	\$14,877	\$9,557	\$6,019	\$8,830	\$2,811
Financing disbursements, net	\$3,490	\$9,269	\$8,510	\$8,306	-\$204

Summary of Off-Budget Financing Account

The total obligations are estimated to be \$17 million for 2023. The obligations also reflect interest on the U.S. Treasury borrowing of \$3.4 million and negative subsidy of \$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 2023 are estimated to be \$8.2 million, including \$5.0 million in repayments and prepayments of principal and \$3.1 million in interest payments. The offsetting collections are estimated to be \$2.4 million lower in 2023 than in 2022 mainly due to a decrease in payments from the program account of \$3.1 million. The decrease is offset slightly by increases in loan repayments and interest received of \$0.7 million.

Changes from Original 2022 Budget Estimate

The current estimate for 2022 obligations shows a decrease of \$1.1 million from the original 2022 budget estimate primarily because of a decrease of \$1.4 million in direct loans and \$0.2 million in negative subsidy, and an offsetting increase of \$0.4 million in interest on Treasury borrowings.

Native American Direct Loan Financing Account		
Analysis of Increases and Decreases – Financing Disbursements		
(\$ in thousands)		
	2022 Estimate	2023 Request
Prior Year Financing Disbursements (net)	\$3,490	\$8,510
Increases (+) and Decreases (-)		
Obligations:		
Direct loans	-\$980	\$246
Negative Subsidy	-\$531	-\$10
Interest on Treasury borrowing	\$231	\$284
Property Expenses	-\$87	\$57
Other Expenses	\$0	\$0
Payments to Treasury Receipt account:		
Downward Reestimates	-\$675	-\$7
Int. on Downward Reestimates	\$55	-\$168
Subtotal Obligations	-\$1,987	\$402
Offsetting collections:		
Program account payments	-\$1,876	\$3,078
Interest on Uninvested funds	\$640	\$0
Loan repayments	\$6,810	-\$397
Interest received on loans	-\$664	-\$270
Fees	-\$26	\$0
Other	-\$35	-\$2
Change in Uncollected Customer Payments	\$206	\$0
Subtotal Offsetting Collections	\$5,055	\$2,409
Change in obligated balances	\$1,952	-\$3,015
Net Change	\$5,020	-\$204
Estimated Financing Disbursements (net)	\$8,510	\$8,306

The 2022 net financing disbursements are estimated to be \$8.5 million, an increase of \$5.0 million from the 2021 level. The net financing disbursements change primarily is due to a decrease in loan repayment collections of \$6.8 million, and a change in obligated balances of \$1.9 million. The

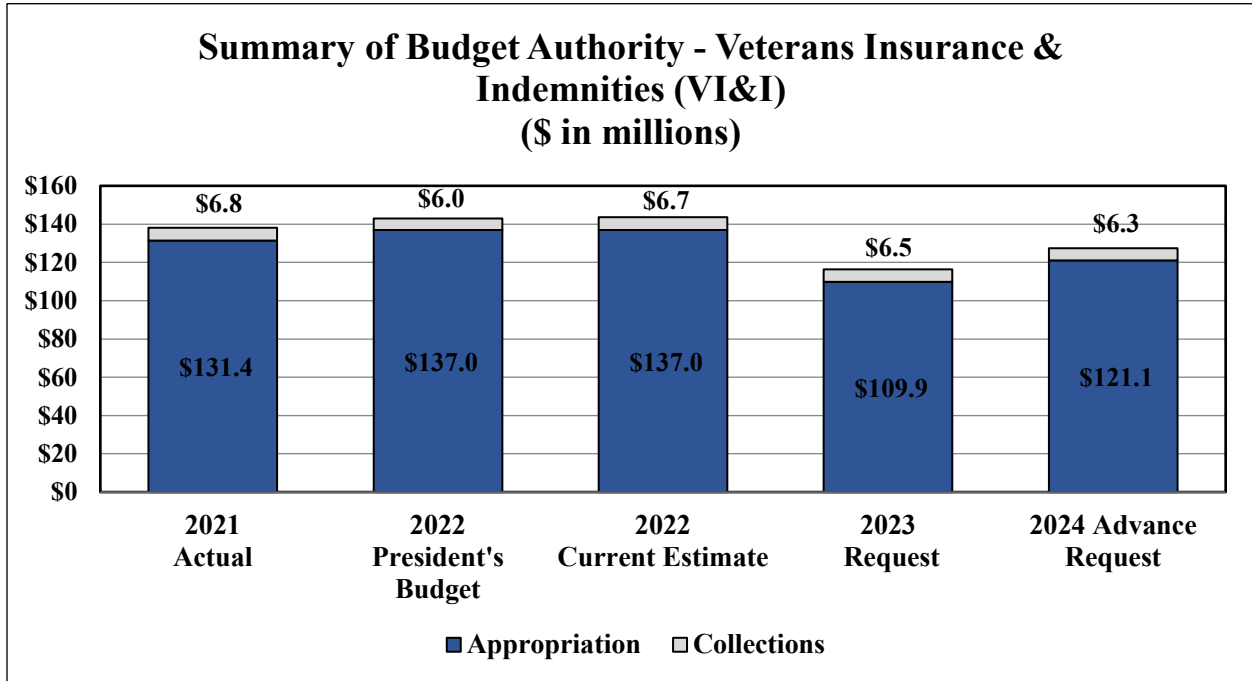
increase is offset slightly by a decrease in obligations of \$2.0 million and an increase in program account payments of \$1.9 million. The net obligations are estimated to decrease by \$2.0 million due to decreases in direct loans of \$1.0 million, negative subsidy of \$531,000, downward reestimates of \$675,000, and offset by an increase in interest Treasury borrowings of \$231,000. The net offsetting collections are estimated to decrease by \$5.1 million.

The 2023 net financing disbursements are estimated to be \$8.3 million, which is a decrease of \$204,000 from the 2022 level. The net financing disbursements change is due to a change in obligated balances of \$3.0 million, offset by a decrease in offsetting collections of \$2.4 million and an increase in net obligations of \$402,000. The increase in the net obligations primarily results from increases in direct loans of \$246,000 and interest on Treasury borrowings of \$284,000 with an offsetting decrease in downward reestimates of \$175,000. The change in the net offsetting collections of \$2.4 million is primarily due to a decrease in payments from the program account of \$3.1 million. Downward and upward reestimates for 2023 will be calculated during the 2024 President's Budget formulation in 2023.

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Insurance Benefits



Note: For the 2023 Request, combined appropriations of \$109.9 million and collections of \$6.5 million will fund total obligations of \$116.4 million. For 2024, combined appropriations of \$121.1 million and collections of \$6.3 million will fund obligations of \$127.4 million. The program is projected to require more appropriation transfers in 2024 as compared to 2023 because of a projected unobligated balance carried forward from prior years in the Service-Disabled Veterans Insurance (S-DVI) fund that will be used to subsidize the program in 2023.

Appropriation Language

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 \$121,126,000 shall become available on October 1, 2023 to remain available until expended.

Veterans Insurance and Indemnities Appropriation

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 Description

The Department of Veterans Affairs (VA) 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). A new revolving fund for the self-supporting, Veterans Affairs Life Insurance (VALI) program established under the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, (P.L. 116-315), will begin on January 1, 2023. 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, Service members, 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. All programs are outlined in greater detail under Program Overview section.

Summary of Budget Request

In 2023, the VI&I account will require an appropriation of \$109.9 million to finance its operation. This will enable VA to transfer \$78.3 million to the S-DVI program, \$31.6 million to the VMLI program, and \$10,000 to the NSLI program. The budget request also includes advance appropriation estimates. In 2024, based on VA's current insurance modeling projections, VI&I will require \$121.1 million to finance its operation, which will allow for the \$91.4 million transfer to the S-DVI program, \$29.7 million to the VMLI program, and \$10,000 to the NSLI program. The program is projected to require more appropriation transfers in 2024 as compared to 2023 because of a projected unobligated balance carried forward from prior years in the Service-Disabled Veterans Insurance (S-DVI) fund that will be used to subsidize the program in 2023.

Insurance					
Summary of Appropriation Highlights					
(\$ in thousands)					
	2022				
	2021 Actual	Budget Estimate	Current Estimate	2023 Request	2024 Request
Mandatory					
Lives Insured:					
Veterans (Administered Programs)	388,292	368,607	363,257	571,763	550,720
Veterans (VGLI)	440,225	439,800	439,800	440,900	442,000
Servicemembers (SGLI)	2,239,500	2,165,500	2,165,500	2,165,500	2,165,500
Spouses and Children (FSGLI)	2,637,000	2,599,000	2,599,000	2,599,000	2,599,000
Total Lives Insured (#)	5,705,017	5,572,907	5,567,557	5,777,163	5,757,220
Face Amount In Force (\$)	\$1,224,322,505	\$1,193,089,060	\$1,193,367,180	\$1,201,526,510	\$1,203,967,620
Obligations:					
Death Claims	\$633,049	\$552,600	\$575,921	\$503,580	\$460,840
Dividends	31,243	21,930	21,916	18,594	16,690
Premiums Paid to Primary Insurer	213,466	660,299	660,307	660,138	659,988
Transfers to Insurance Funds	103,014	104,680	107,648	78,285	91,456
Payments for Administrative Expenses	50,018	53,658	56,470	53,749	51,561
Capital Investments	29,435	39,460	36,010	34,780	32,910
All Other Obligations	158,694	155,092	153,998	132,287	104,723
Total Mandatory Obligations	\$1,218,919	\$1,587,719	\$1,612,270	\$1,481,412	\$1,418,167
Funding:					
Offsetting Collections					
Premiums	\$86,725	\$88,470	\$90,150	\$317,690	\$545,910
SGLI Premiums	664,393	663,210	663,210	663,210	663,210
Interest on U.S. Securities	66,695	72,970	74,110	78,860	95,250
Payments for S-DVI	102,500	104,660	107,638	78,275	91,446
Extra Hazard Payments	500	0	0	0	0
Cash Transfers from Primary Insurer	800,000	600,000	600,000	500,000	300,000
All Other Collections	63,140	69,849	70,086	63,810	56,755
Total Collections	\$1,783,952	\$1,599,159	\$1,605,194	\$1,701,845	\$1,752,571
Unobligated balance (SOY)	-\$3,681,626	-\$4,457,266	-\$4,462,056	-\$4,672,458	-\$4,839,201
Unobligated balance (EOY)	\$4,403,956	\$4,618,720	\$4,612,036	\$4,805,617	\$5,109,415
Budget Authority, net:					
Advance Appropriation (VI&I)	\$129,224	\$136,950	\$136,950	\$109,865	\$121,126
Appropriation (VI&I)	\$2,148	\$0	\$0	\$0	\$0
Transfer From C&P	\$0	\$0	\$0	\$0	\$0
Trust Funds	\$582,210	\$363,248	\$387,649	\$298,739	\$212,345
Total Mandatory:					
Budget Authority (net)	\$582,210	\$500,198	\$524,599	\$408,604	\$333,471
Outlays (net)	-\$423,975	\$134,750	\$143,847	-\$99,783	-\$196,312

¹ 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.

Changes from Original 2022 Budget Estimate

The 2022 current estimate for total obligations decreased by \$24.6 million from the original 2022 estimate. The decrease in total obligations is mainly attributed to technical re-estimates of death claims. Offsetting collections in 2022 are projected to increase by \$6.0 million from the original 2022 estimate, as a result of technical re-estimates of premiums, interest, and payments for S-DVI.

Changes in Lives Insured

The decline in Lives Insured from 2021 to 2022 is a result of a net loss in total policies in the closed administered programs through death claims, surrenders, or matured endowments. The increase in Lives Insured from 2023 forward is related to the net increase in total administered policies as enrollment to the new VALI program opens in January 2023.

Insurance		
Analysis of Increases and Decreases - Outlays		
(\$ in thousands)		
Mandatory	2022 Current Estimate	2023 Request
Prior Year Outlays	-\$423,975	\$143,847
Increases (+) and decreases (-)		
Death Claims	-57,128	-72,341
Dividends	-9,327	-3,323
Premiums Paid to Primary Insurer	+446,841	-169
Transfers to Insurance Funds	+4,634	-29,363
Payments for Administrative Expenses	+6,452	-2,721
Capital Investments	+6,575	-1,230
All Other Obligations	-4,696	-21,711
Premiums	-3,425	-227,540
SGLI Premiums	+1,183	+0
Interest on U.S. Securities	-7,415	-4,750
Payments From VI&I	-5,138	+29,363
Extra Hazard Payments	+500	+0
Cash Transfers from Primary Insurer	+200,000	+100,000
Prior Year Recoveries	-9,174	+6,276
All Other Collections	+1,649	+0
Change in Obligated Balance	-3,708	-16,121
Net Change	\$567,823	-\$243,630
Estimated Outlays (net)	\$143,847	-\$99,783

In 2022, Net Outlays increase from the prior year by \$567.8 million. The increase is mainly a result of an increase in the Premiums Paid to the Primary Insurer and Cash Transfers from Primary Insurer as detailed below. The increases are partly offset by decreases in obligation items including Death Claims, Dividends, as well as Cash Surrenders and Matured Endowments included in All Other Obligations and decreases in collection items including Interest on U.S. Securities and Prior Year Recoveries.

In 2023, Net Outlays decrease from the prior year by \$243.6 million. The decrease is mainly attributed to an increase in Premium collections related to the opening of the VALI Program as well as decreases in Death Claims, and Matured Endowments and Cash Surrenders included in All Other Obligations. These decreases in outlays are partly offset by a decrease in the scheduled Cash Transfers from Primary Insurer. The decrease in Death Claims, Matured Endowments, and Cash

Surrenders is due to the projected decline in the total number of policies in the closed insurance programs.

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 valuation of the SGLI Contingency Reserve, VA determined that a \$500 million reduction was warranted in 2021. To effectuate said reduction, premiums otherwise payable to the Primary Insurer were deposited in the revolving fund held by VA to support the program, thus decreasing Premiums Paid to the Primary Insurer obligations in 2021.

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 are 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.

SUMMARY OF INSURANCE PROGRAMS 2023											
(\$ in millions unless otherwise noted)											
	VI&I (VMLI)	USGLI (WWI)	NSLI (WWII)	SDVI (Open thru December 31, 2022)	VALI (Open)	VRI (WWII- Korean)	VSLI (Korean)	SGLI (Open)	Family SGLI (Open)	VGLI (Open)	TOTAL
Beginning date	8/11/1971	1/1/1919	10/8/1940	4/25/1951	01/01/23	5/1/1965	4/25/1951	9/29/1965	11/1/2001	8/1/1974	
Closing date	Open to New Iss.	4/24/1951	4/24/1951	Open to New Iss.		5/1/1966	12/31/1956	Open to New Iss.	Open to New Iss.	Open to New Iss.	
Number of lives insured	2,540	0	41,989	244,272	243,150	1,929	37,883	2,165,500	2,599,000	440,900	5,777,163
Number of Policies Inforce											
5-year term	2,540	n/a	8,380	48,940	0	n/a	2,040	n/a	n/a	n/a	61,900
Permanent plans	n/a	0	37,854	221,727	243,150	2,121	40,107	n/a	n/a	n/a	544,959
Total number of policies inforce	2,540	0	46,234	270,667	243,150	2,121	42,147	2,165,500	2,599,000	440,900	5,812,259
Total value inforce (1)	\$382	\$0	\$840	\$2,862	\$6,164	\$38	\$645	\$994,485	\$107,867	\$88,244	\$1,201,527
Average amount per policy (2)	\$150,394	\$0	\$18,168	\$10,574	\$25,351	\$17,914	\$18,530	\$459,240	\$41,503	\$200,145	
Average age	59.1	n/a	93.1	64.3	-	93.5	90.8	29.8	33.9 (3)	55.2	

- (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.

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 offer group coverage for Veterans, Service members, and military families. The SGLI programs are 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. All USGLI program policies have reached the maturity age. However, the program will 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 through December 31, 2022. 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, (P.L. 116-315), the Service-Disabled Veterans Insurance (S-DVI) program will not issue new policies after December 31, 2022. Veterans insured under S-DVI will have the opportunity to convert to the new VALI program any time between January 1, 2023, and December 31, 2025 (a three-year period).

VA Life Insurance (VALI) - Public Enterprise Fund

Public Law 116-315 replaces S-DVI with VALI, a new insurance program 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. This program is designed to be self-supporting.

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 ¹³ (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 Service members 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 Service member's spouse and children if the Service member 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 Service member's SGLI, whichever is less. Unlike SGLI, spouses' premiums are age-based. All dependent children are insured for \$10,000 at no additional 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

¹³ VGLI is a conversion option for SGLI insurance carried by Service members. 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.

\$0.06 per \$1,000 of insurance coverage from \$0.07 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 Service member insured under SGLI. TSGLI also contains a retroactive provision that provides TSGLI coverage to Service members who suffered a qualifying loss on or after October 7, 2001, through and including November 30, 2005. A Year-Ten Review of the TSGLI program was conducted to evaluate program definitions, expand eligibility criteria, and provide recommendations. The final publication of changes is pending final approval and will be published in 2022.

Highlights by Account				
(\$ in thousands)				
	2021 Actual	2022 Current Estimate	2023 Request	2024 Request
Obligations				
USGLI	\$141	\$153	\$151	\$141
NSLI	473,441	417,022	324,418	232,459
SDVI	194,389	205,790	202,510	197,360
VRI	15,157	10,976	8,328	6,471
VSLI	182,586	167,880	152,440	141,560
VALI			14,030	49,510
SGLI	216,218	663,210	663,210	663,210
VI&I	136,988	147,238	116,325	127,456
Total obligations	\$1,218,919	\$1,612,270	\$1,481,412	\$1,418,167
Budget authority (gross)				
USGLI	\$141	\$153	\$151	\$141
NSLI	472,092	417,022	324,418	232,459
SDVI	202,575	208,048	175,755	183,776
VRI	2,744	2,490	1,700	1,220
VSLI	63,935	62,410	51,160	39,870
VALI			232,200	470,840
SGLI	1,484,702	1,296,000	1,208,740	1,030,280
VI&I	137,744	143,670	116,325	127,456
Total budget authority (gross)	\$2,363,934	\$2,129,793	\$2,110,449	\$2,086,042
Outlays (gross)				
USGLI	\$139	\$301	\$211	\$181
NSLI	569,322	508,516	415,488	321,769
SDVI	187,225	197,722	202,560	197,470
VRI	19,283	12,759	10,608	8,341
VSLI	224,280	211,425	174,450	183,010
VALI			14,030	49,510
SGLI	216,218	664,088	668,390	668,522
VI&I	136,647	154,231	116,325	127,456
Total outlays (gross)	\$1,353,114	\$1,749,041	\$1,602,062	\$1,556,259
Offsetting collections				
USGLI	\$0	\$0	\$0	\$0
NSLI	21,395	29,526	25,830	20,255
SDVI	202,575	208,048	175,755	183,776
VRI	2,744	2,490	1,700	1,220
VSLI	66,163	62,410	51,160	39,870
VALI			232,200	470,840
SGLI	1,484,702	1,296,000	1,208,740	1,030,280
VI&I	6,372	6,720	6,460	6,330
Total offsetting collections	\$1,783,952	\$1,605,194	\$1,701,845	\$1,752,571

Highlights by Account				
(\$ in thousands)				
	2021 Actual	2022 Current Estimate	2023 Request	2024 Request
Budget authority (net)				
USGLI	\$141	\$153	\$151	\$141
NSLI	450,697	387,496	298,588	212,204
SDVI	-	0	0	0
VRI	-	0	0	0
VSLI	-	0	0	0
VALI	-	0	0	0
SGLI	-	0	0	0
VI&I	131,372	136,950	109,865	121,126
Total budget authority (net)	\$582,210	\$524,599	\$408,604	\$333,471
Outlays (net)				
USGLI	\$139	\$301	\$211	\$181
NSLI	547,925	478,990	389,658	301,514
SDVI	(15,355)	(10,326)	26,805	13,694
VRI	16,333	10,269	8,908	7,121
VSLI	158,117	149,015	123,290	143,140
VALI	-	-	(218,170)	(421,330)
SGLI	(1,261,408)	(631,912)	(540,350)	(361,758)
VI&I	130,274	147,511	109,865	121,126
Total outlays (net)	(\$423,975)	\$143,847	(\$99,783)	(\$196,312)
Number of lives insured				
USGLI	3	0	0	0
NSLI	79,796	59,043	41,989	29,372
SDVI	249,139	253,557	244,272	230,900
VRI	3,238	2,556	1,929	1,424
VSLI	53,637	45,601	37,883	30,865
VALI	-	-	243,150	255,569
SGLI	2,239,500	2,165,500	2,165,500	2,165,500
FSGLI	2,637,000	2,599,000	2,599,000	2,599,000
VGLI	440,225	439,800	440,900	442,000
VI&I	2,479	2,500	2,540	2,590
Total number of lives insured	\$5,705,017	\$5,567,557	\$5,777,163	\$5,757,220
Dividends				
USGLI	0	\$0	\$0	\$0
NSLI	19,999	12,906	10,424	9,170
VRI	727	530	520	470
VSLI	10,517	8,480	7,650	7,050
Total Dividends	\$31,243	\$21,916	\$18,594	\$16,690

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



Filipino Veterans Equity Compensation Fund

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 a remaining balance of \$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; and
- 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 \$9,000 irrespective of where they reside.

Eligible Veterans who *are* United States citizens will receive a one-time payment of \$15,000 irrespective of where they reside.

Filipino Veterans Equity Compensation - Status of Funds (\$ in thousands)					
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	\$0	\$0	\$9	\$55,624	\$9
2022 Estimate	\$0	\$0	\$24	\$55,600	\$24
2023 Estimate	\$0	\$0	\$0	\$55,600	\$0

All original claims were adjudicated by the end of September 2011. However, as of February 2022, VA continues to process four 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 \$24,000 in 2022 for the final two granted FVEC appeals. All appeals are expected to be finalized by the end of 2022.

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.

Administration of Filipino Veterans Equity Compensation Fund*					
Claim Type	Payment	Claims Processed	Claims Paid	Claims Denied	Obligations (\$ in millions) *
Total		42,755	18,989	23,766	\$227**
Filipino Citizen	\$9,000		9,671		\$87
U.S. Citizen	\$15,000		9,318		\$140

* From 2009 through September 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, 18,989 claims have been granted, and 23,766 have been denied. Just over half (51%) of the claims awarded were to Filipino citizens at the one-time payment amount of \$9,000. The remaining 49% of the claims were awarded to the Veterans who are United States citizens at the one-time payment amount of \$15,000 in recognition of their service during World War II.

Although 18,989 claims have been paid through September 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, which 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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Board of Veterans' Appeals

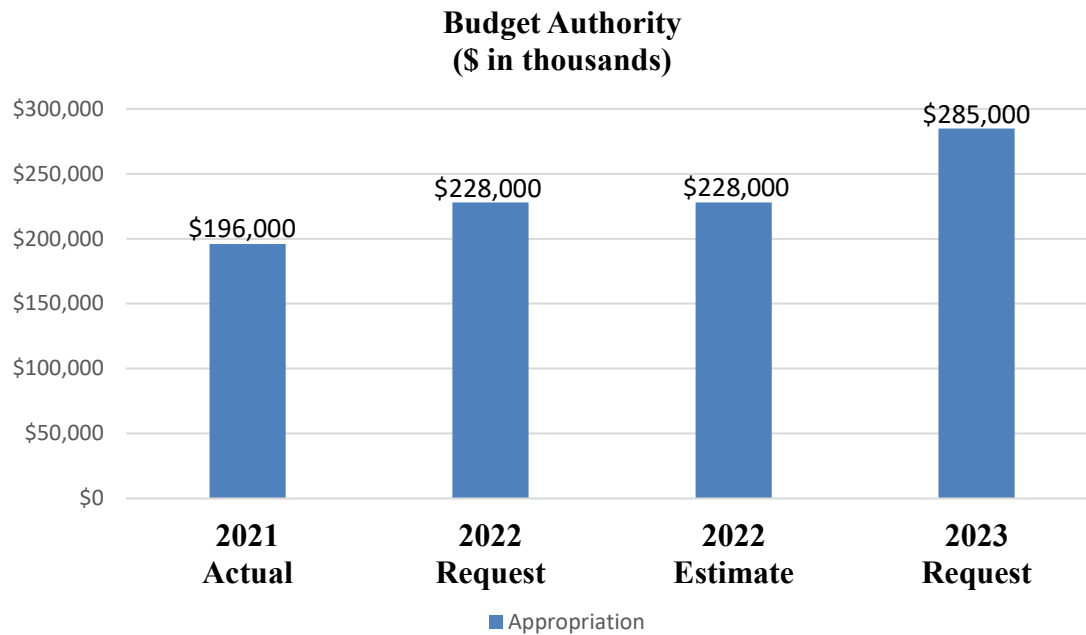
Part 4

Board of Veterans' Appeals 261

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Board of Veterans' Appeals



Note. A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2022 Current Estimate reflects the 2022 President's Budget request for discretionary appropriation.

2023 Appropriation Language

For necessary operating expenses of the Board of Veterans' Appeals (Board), \$285,000,000 of which not to exceed 10 percent shall remain available until September 30, 2024.

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 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 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 \$285 million to support operations in 2023, an increase of \$57 million in appropriated funding over 2022. The majority (90%) of the Board's budget is associated with personnel costs totaling \$256 million and supports 1,496 full time equivalent (FTE, base funds only or 1,532 total FTE when 36 ARP funded FTE are included) and appeals processing overtime. The funding request will position the Board to recruit and train Veterans Law Judges (VLJ), decision writing attorneys, and administrative staff vital to achieving mission-critical goals of conducting 40,000 hearings and adjudicating over 117,000 appeals for Veterans. The funding increase includes overtime to address projected workload increases as a result of an expansion of appealable decisions to include the VHA Caregivers program from a U.S. Court of Appeals for Veterans Claims decision (*Beaudette v. McDonough*, No. 20-4961).

The remaining 10% (\$29.4 million) of non-pay costs includes rent of \$10.3 million associated with the Board's lease at 425 I St NW, Washington, D.C. The Board maintains several contracts critical to ensuring delivery of service to Veterans including research tools, books, periodicals and transcription services. Multiple interagency agreements for support functions are also included in non-pay for services such as 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 and 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.

Hearings

Despite the unprecedented challenges presented by the COVID-19 pandemic that resulted in the Board rapidly transitioning to a remote workforce, the Board offered 42,015 and held a record 23,777 hearings in 2021, 96% of which were conducted virtually for Veterans. The Board has set a goal of 40,000 hearings held in 2023 to mitigate the effects of the COVID-19 pandemic. The Board will continue to offer appellants virtual and in-person hearings for 2023. The Board is continuously working to promote the virtual hearing option and improve the customer experience for appellants and their representatives. In-person options will continue to include face-to-face Central Office hearings in Washington, DC, and Regional Office hearings, where appellants appear at their local VA facility and meet with judges who appear remotely via videoconference. The majority of Travel Board hearings requests for legacy appeals will be completed in 2022, and any residual remaining will be offered on a limited basis in 2023.

As the Board continues resolution of legacy appeals and associated hearing requests, the proportion of AMA hearing requests pending will increase. Through January 2022, Hearing docket appeals represent 54% of all AMA appeals pending. While the Board is retaining the capacity to

schedule 50,000 or more hearings, the postponement, cancellation, and no-show rate (22%, 16%, and 8% respectively) continues to hinder efficient use of Veteran and Board resources. The Board revised its original goal to conduct 50,000 hearings in 2022 to 36,030. This decision was reached after extensive review and feedback from VSOs to reset a goal that is realistic, meaningful, and achievable. Likewise, these achievable goals enable the Board's Veteran Law Judges to reduce time lost from late notice postponed or cancelled hearings. Postponements, cancellations, and no-shows can result in an appeal moving forward without a hearing, or requires Veterans to submit a timely request in writing explaining why they could not appear and show good cause in support of their request for another hearing consistent with 38 CFR §§ 20.603(c)-(d), 20.704 (c)-(d). In partnership with VSOs, the Board continues to work diligently to increase the availability of hearings and provide Veterans with unprecedented access through the availability of virtual tele-hearings.

Through several initiatives, the Board has driven a steady increase in the number of hearings scheduled, from 860 in October 2020 to an average of over 5,000 in the first four months of 2022. These initiatives include increased staffing, expanded virtual hearing capacity and other information technology solutions, restructuring the Board's hearing operations, and increased coordination with VSOs and private representatives. Additional initiatives include communications with Veterans about their hearing options, specifically virtual tele-hearings through blogs, emails, and social media. Although VBA's Regional Offices are now open for hearings, they have had decreased capacity for the number of hearings that can be scheduled. A Hearing Summit is also scheduled for the third quarter of 2022 to bring leaders from national VSOs, private bar, Congressional staff together with VA staff. The Summit will address the growing number of hearing requests and the postponement rate. The Summit will enable VA Senior Leaders to partner with external stakeholders to openly identify opportunities for viable solutions to improve the hearing process for Veterans, discuss training opportunities, and cultivate a culture of transparency and willingness to partner for positive change.

Business Transformation

The Board continues to adapt and align priorities to pursue business process improvements and align strategy to meet the changing landscape of appeals with a goal of improving the appeals experience for Veterans and their families. Such priorities include: 1) leveraging technology to better modernize appeals processing in Caseflow; 2) maximizing available hearing resources for Veterans; and 3) adapting strategy in response to court decisions that impact Board operations.

Caseflow: In collaboration with VA Office of Information Technology (OIT), the Board continues to work to ensure that Caseflow provides enterprise-wide functionality required to fully achieve the 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.

Enhancements to Caseflow continue to be prioritized by the Board in collaboration with OIT partners. Improved functionality to intake certain types of appeals contested claims and certain

substitution appeals in Caseflow is under development. Additionally, development is underway to ease some of the manual and labor-intensive processes for initiating appeal processing on appeals that originate from VHA. The Board, in coordination with the Office of Information Technology, has identified other priorities for future development. Those include appeals that have multiple representatives, Spina Bifida appeals, appeals for medical reimbursement from private providers, notices of disagreements with granted extension requests, challenges to notice of disagreement untimeliness decisions, and split appeal streams when multiple notices of disagreements are received on the same day. The Board constantly strives to improve its ability to track cases such that we maintain the most accurate view of our case inventory. The Board works closely with OIT to prioritize development efforts and establish a timeline for delivery of new features and capabilities.

In response to two open GAO recommendations (GAO-17-234; GAO-18-352), a VA IT team assessing Caseflow identified in May 2021 a number of shortfalls and made recommendations to address them. The Board and OIT officials have led the agency to pursue a more refined approach to Caseflow planning. In December 2021, the Board provided GAO with detailed plans that reflect an Agile project management method for developing, implementing, and integrating functionality envisioned under Caseflow. An Agile method includes rolling-wave planning in which near-term work is planned in detail and all future work is identified at a high level. It also includes processes for ensuring that the software meets stakeholder needs. VA also provided a longer-term plan for managing the development and deployment of Caseflow features and detailed plans showing prioritized lists of tasks, as well as releases of software during a series of two-week increments. Based on the information provided, GAO closed both recommendations associated with its high-risk list.

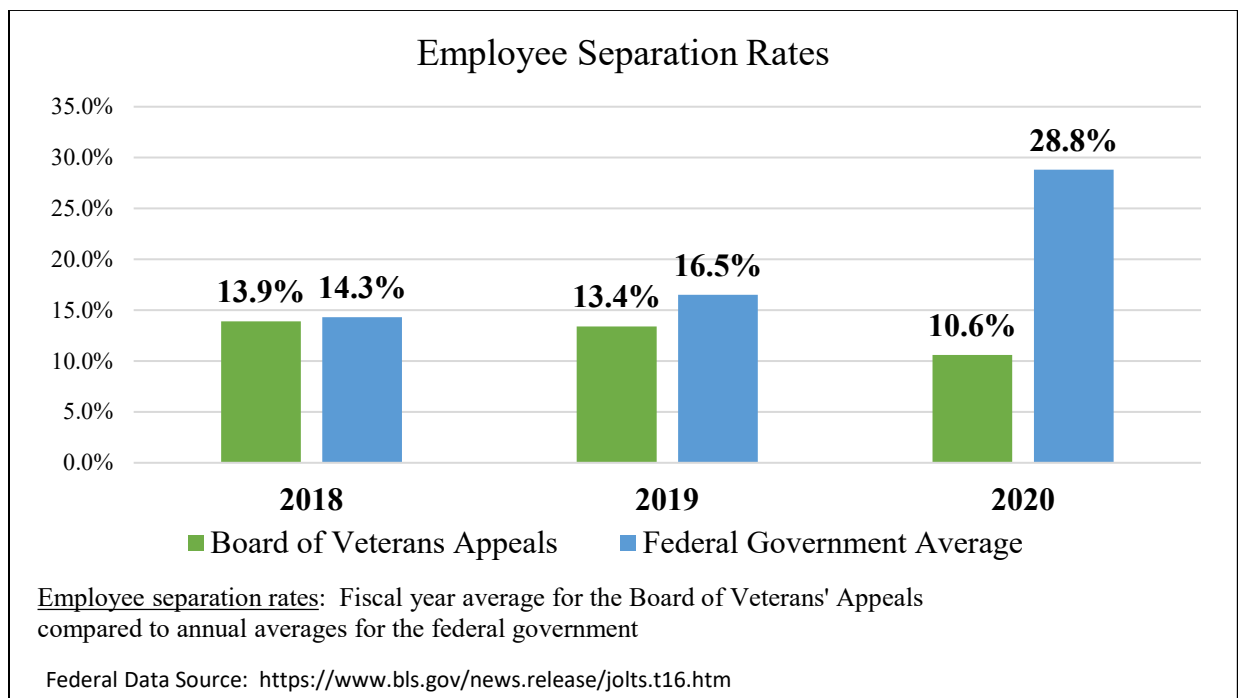
New Presumptive Conditions: In 2021, the VA amended its adjudication regulations to establish new presumptive service connection for three chronic respiratory health conditions, i.e., asthma, rhinitis, and sinusitis, to include rhinosinusitis, in association with presumed exposures to fine, particulate matter. In order to bridge the gap in 2022 to begin processing appeals associated with these conditions the Board received a transfer (PL 114-43, H.R.5305) from VHA of \$5.8M. The 2023 request will continue to support holding hearings and processing appeals associated with these new presumptive conditions.

VHA Caregiver Appeals: As the Board enters into 2023, it is requesting resources in anticipation of increased appeals receipts arising from the U.S. Court of Appeals for Veterans Claims, ordering the Secretary of VA to notify claimants of their right to appeal adverse VHA Caregiver Program determinations to the Board. As a result, the Board is requesting resources necessary to adequately address these potential appeals that are in addition to the over 200,000 appeals that are pending as of the end of February 2022.

Hiring and Attrition: Hiring plans reflect increased staffing levels by approximately 250 FTE in 2023, from a projected 1,240 FTE in 2022 to 1,496 in 2023 (base only). To address the growing number of appeals pending as well as mitigate against the growing number of VLJs retirement eligible, another 12 VLJs positions are requested in 2023. This would enable a full strength of 150 VLJs and will help propel the Board to 117,766 decisions and 40,000 hearings held in 2023.

In tandem with the Presidential Executive Order on “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government”, the Board will also use current employees to engage with Historically Black Colleges and Universities (HBCU) in an effort to attract and hire talented employees to perform its unique and critically important mission of serving Veterans.

As the Board increases its staffing size, it continues to monitor attrition rate trends knowing that staffing turnover has a negative impact on planning, performance, and employee morale. The Board has seen its annual attrition rate decrease from 13.9% in 2018 to 10.1% in 2021. As depicted in the graph below, the Board’s fiscal year attrition rates also continue to fall below that of annual attrition rates averages for the federal government.¹⁴ The Board continues to monitor attrition rates very closely, particularly with increased attrition rates experienced in both private and public sectors after COVID-19. Through January 2022, the Board projects to have an attrition rate of 7.8% for 2022.



2021 Program Successes

Veterans Law Judge Hiring

In the fourth quarter of 2021, new VLJs were appointed by the Secretary of Veterans Affairs to conduct hearings and adjudicate more appeals for Veterans. The onboarding of these VLJs fulfill the statutory requirement (38 United States Code 7101) of the Board to have sufficient members (VLJs) and personnel necessary in order to conduct hearings and dispose of appeals properly before the Board in a timely manner. These new VLJs directly support the Board’s goal to adjudicate 102,561 decisions in 2022.

¹⁴ https://www.bls.gov/news.release/jolts.t16.htm#jolts_table16.f.1

Training

Through training, development, and engagement strategies; the Professional Development Division (PDD), within the Office of the Chief Counsel, informs, educates, and inspires Board employees to reach their professional goals; creates a work environment that challenges and supports employees; and promotes the accomplishment of organizational goals in an efficient manner and comfortable environment. The PDD team provides leadership, supervisory, and professional development opportunities for all Board employees. They lead the Board's professional development through Leadership Development Programs, Professional Development Plans, Soft Skills Training and Supervisory Training. The team also facilitates the legal training for Veteran Law Judges, Acting Veteran Law Judges, and Board attorneys, both experienced and new. The Board closely monitors trends in the types of errors identified by its Office of Quality Review within the Office of Chief Counsel and uses the data to target focused training and guidance.

The PDD also develops and facilitates the training and orientation program for new VLJs, which has been extensively revamped and reorganized in anticipation of its newly appointed VLJs in 2021. New VLJs now attend a rigorous 14-day on-boarding and development plan that first introduces them to the Board's structure, operations, and jurisdiction, followed by eleven days of substantive law and judicial methodologies training, and culminating with two days of supervisory and leadership training. Lessons learned during virtual on-boarding throughout the COVID-19 pandemic has informed and transformed the VLJ training and orientation program.

The Office of Chief Counsel also monitors the outcomes in cases appealed to CAVC and the United States Court of Appeals for the Federal Circuit in order to improve the quality of its decisions. The Board will continue its collaboration with VA's Office of General Counsel to provide targeted trainings to VLJs based on trends seen in those court cases.

These measures help maintain or increase the Board's accuracy rates while increasing the capacity to deliver more hearings and appeals decisions. By fostering an environment for collaborative change management on modernization activities and sustaining accountable partnerships across the VA enterprise, the Board is better positioned to better serve Veterans and their families.

Accuracy Improvements with Project Stop Light

Project Stop Light is an innovative tool designed to automatically detect and signal areas of a draft appeal decision that should be considered more closely. Stop Light is an agile system that is capable of being modified as needed. In this way, Stop Light can grow and better signal areas for consideration as additional quality assurance methods are employed, and the Board continues to provide a consistent and positive experience for its customers.

Timeliness Goals for Remaining AMA Dockets

The Board released timeliness goals for its two remaining AMA dockets (Evidence Submission, Hearing) in 2021. With targets of 365 average days to complete (ADC) for Direct, 550 ADC for Evidence, and 730 ADC for Hearing docket appeals, the Board has established timeliness goals for all its AMA dockets. Establishing these goals satisfied an open U.S. Government

Accountability Office High Risk List recommendation (GAO-18-352). In 2022, timeliness for all lanes will be monitored and reported monthly as well as through the 2022 VA Annual Performance Plan and Review.

Decisions

Despite the unprecedented challenges presented by the COVID-19 pandemic that resulted in the Board rapidly transitioning to a remote workforce, the Board issued 99,721 decisions for Veterans and their families in 2021, marking four consecutive years the Board significantly exceeded production goals. 2021 proved to be another strong year of decision output in support of the mission to decide appeals in a timely manner.

Virtual Hearings

A record number of hearings were held in 2021, in large part due to virtual hearing technology, with over 96% being conducted virtually. With persistent COVID-19 concerns, the capability to conduct hearings virtually remained the safest venue for both Veterans, their representatives, and VA staff. Scheduling for the remaining legacy appeals with in-person travel board hearing request resumed in August 2021 and will continue into 2022. The Board retains the capacity to schedule over 50,000 hearings and reset the goal to hold 36,030 hearings in 2022 and 40,000 in 2023.

Outreach

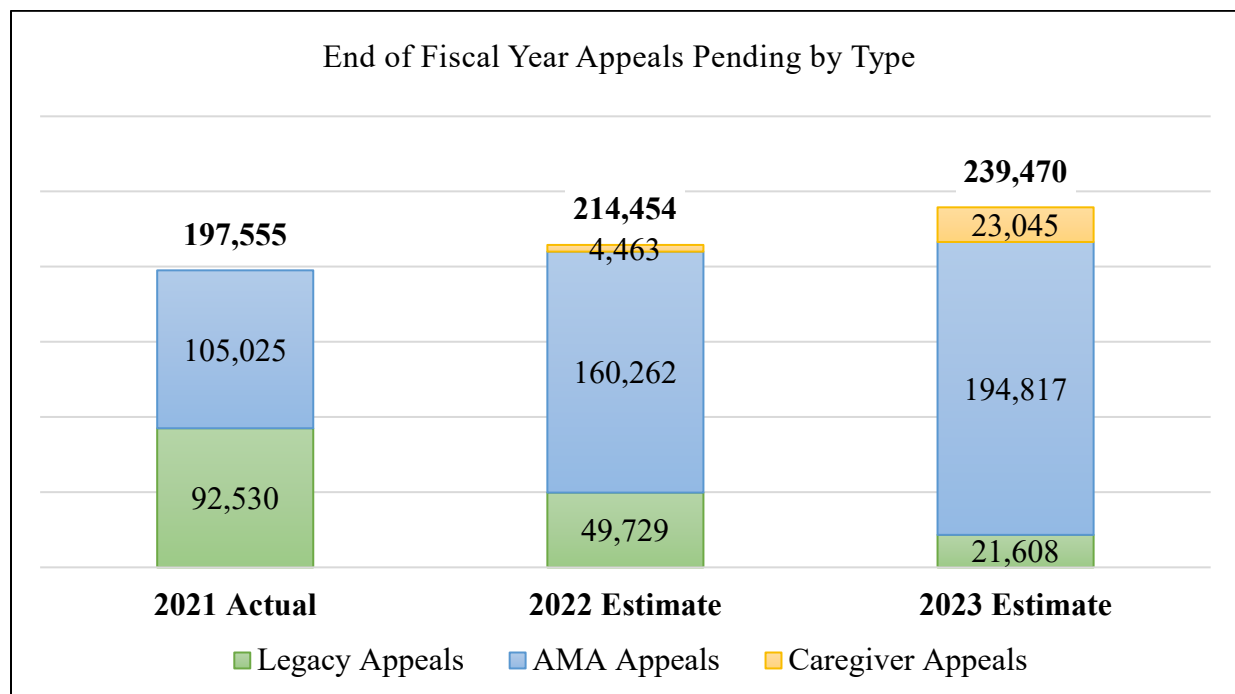
Outreach with Veterans Service Organizations and the private bar remain critical to the Board's mission. This includes hosting monthly calls to discuss current initiatives, year to date progress towards meeting goals, and how to best communicate to the Board when issues arise in the cases they represent. The Board partnered with the co-located VSOs to brainstorm ways to reduce the amount of time appeals are pending with the VSO to produce written arguments (Informal Hearing Presentations (IHPs)) when the Veteran has not elected a hearing. Furthermore, the Board is increasing VSO accessibility to hearing reports and metrics. These reports allow VSO leadership the opportunity to assist understaffed offices with hearing support, increasing the Board's percentage of cases held, and decrease the postponement rate of hearings that were previously scheduled. Two of the larger VSOs also agreed to no longer conduct IHPs, which reduces the amount of wait time for cases with IHP requests.

Union Partnership

The Board continues to work closely with its union partners to help ensure the Board workforce is empowered and equipped to effectively serve Veterans and their families. The Board strives to be a model employer that evolves our workplaces and work practices to reflect the needs of our workforce today and tomorrow. During the COVID-19 pandemic the Board expanded telework and remote work for all employees, to include full telework and adjusting core hours. In response to a recent suggestion during a regularly scheduled Chairman's townhall, the Board is working to reimburse individual Board attorney's either in part or full for their mandatory bar licensing fees. Continual investment in employee education and training while providing maximum flexibility continues to be high priorities at the Board.

Workload Estimates

The Board finished 2021 with 197,555 appeals pending adjudication, 92,530 of which are legacy and 105,025 AMA appeals. The Board collaborated with the VBA and VHA to determine projected claims and subsequent appeals rates in 2022 and 2023. Based on increased rating claims decisions at VBA, coupled with the establishment of three new presumptive conditions (asthma, rhinitis, and sinusitis) in 2021 and the inclusion of preliminary estimates of Caregiver Program appeals impacts, the Board could receive as many as 142,782 appeals and see the number of appeals pending adjudication rise to as high as 239,470 by the end of 2023. With increased resources, the Board will be able to adjudicate a higher proportion and number of AMA appeals. This will result in completing those AMA appeals that have been pending the longest and likely increase the average days to complete appeals in the meantime.



The resources being requested in 2023 will support 1,496 FTE and are necessary to address the increase in appeals workload. These resources enable the Board to; 1) continue its commitment to completing the inventory of legacy appeals by deciding almost 70,000 appeals; 2) decide a record number of AMA decisions (44,758) and 3) decide as many as 3,900 Caregiver Program appeals through a combination of staffing increases and targeted overtime.

Table 1 Board of Veterans' Appeals Appeals Workload Estimates			
	2021	2022	2023
	Actual	Estimate	
Board Full Time Equivalent (Cumulative FTE, base only)	1,182	1,240	1,496
Legacy Appeals Workload			
Start of Year Appeals Pending (from date of certification (Form 8) in field)	121,740	92,530	49,729
Appeals Received (Net Appeals Receipts)	50,017	39,248	40,951
Appeals Decided (-)	79,227	82,049	69,072
End of Year Appeals Pending	92,530	49,729	21,608
Appeals Modernization Act Workload			
Start of Year Appeals Pending	52,993	105,025	160,262
Appeals Received	72,526	75,749	79,313
Appeals Decided (-)	20,494	20,512	44,758
End of Year Appeals Pending	105,025	160,262	194,817
Caregiver Appeals Workload			
Start of Year Appeals Pending	-	0	4,463
Appeals Received	-	4,463	22,518
Appeals Decided	-	0	3,936
End of Year Appeals Pending	-	4,463	23,045
Total Appeals Workload			
Start of Year Appeals Pending	174,733	197,555	214,454
Appeals Received	122,543	119,460	142,782
Appeals Decided (-)	99,721	102,561	117,766
End of Year Appeals Pending	197,555	214,454	239,470

Table 2 Board of Veterans' Appeals Other Performance Metrics			
	2021	2022	2023
	Actual	Goals	
Hearings Held	23,777	36,030	40,000
AMA Average Days to Complete*			
Direct Docket	300 days	365 days	365 days
Evidence Docket:	338 days	550 days	550 days
Hearing Docket:	547 days	730 days	730 days
*Average days from Notice of Disagreement to issuance of Board decision			

Board of Veterans' Appeals
Summary of Employment, Obligations and Budgetary Resources
(\$s in thousands, FTE)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE or \$s	%
ARP Funded FTE		42	36	36	-	0.0%
Base Funded FTE	1,182	1,314	1,240	1,496	256	20.6%
Total Average employment:	1,182	1,356	1,276	1,532	256	20.1%
Obligations						
Personnel services	\$ 183,500	\$ 206,183	\$ 211,113	\$ 255,626	\$ 44,512	21.1%
Travel	47	222	222	250	28	12.6%
Transportation of things	15	10	10	10	-	0.0%
Rents, communications & utilities	8,123	10,869	10,516	10,950	434	4.1%
Printing & reproduction	5	10	10	10	-	0.0%
Other services	7,458	10,106	12,529	17,359	4,829	38.5%
Supplies & materials	75	424	324	361	37	11.4%
Equipment	-	125	125	335	210	168.0%
Insurance & indemnities	145	50	50	100	50	100.0%
Total obligations	\$ 199,368	\$ 228,000	\$ 234,900	\$ 285,000	\$ 50,100	21.3%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	-	-	800	-	(800)	-100.0%
Unobligated balance transfers between expired and unexpired accounts	5,250	-	6,100	-	(6,100)	-100.0%
Subtotal, unobligated balance	\$ 5,250	\$ -	\$ 6,900	\$ -	\$ (6,900)	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	196,000	228,000	228,000	285,000	57,000	25.0%
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriation	\$ 196,000	\$ 228,000	\$ 228,000	\$ 285,000	\$ 57,000	25.0%
Offsetting collections	-	-	-	-	-	-
Subtotal, budget authority	\$ 196,000	\$ 228,000	\$ 228,000	\$ 285,000	\$ 57,000	25.0%
Total, budgetary resources	\$ 201,250	\$ 228,000	\$ 234,900	\$ 285,000	\$ 50,100	21.3%
Unobligated balance expiring						
Unexpired unobligated balance	1,882	0	0	-	-	-

Note:

*Data does not include ARP or CARES Act Funding

**2022 FTE displayed here may not match the Budget Appendix because it assumed a full year Continuing resolution where VA Budget Request used its 2022 Request levels

***2022 Estimate includes \$5.8 million transfer from VHA

Budget Highlights

The 2023 budget request reflects an increase of \$50.1 million (21.3%) in obligations over 2022. This request supports the full cost of the three new presumptive conditions (asthma, rhinitis, and sinusitis) and processing caregiver appeals as discussed above. Of the \$285 million total

appropriation request in 2023, personnel services accounts for 90%, supporting FTE of 1,496 (base only). The Board's cumulative FTE will increase by 256 between 2022 and 2023, providing an additional 3 SES to provide strategic and operational leadership for the growing organization, 12 new VLJ positions, nearly 151 additional decision writing attorneys, and 63 appellate operations support personnel, and 27 administrative professionals. These FTE increases position the Board to increase appeals decisions and build a foundation to make impacts to the future number of appeals pending. Personnel services in 2023 also supports \$10 million in overtime to target caregivers appeals, a 4.6% pay raise effective January; personnel benefits percentage increases such as FERS agency contribution rising from 18.4% in 2022 to 19.2% in 2023; and a contingent of Board attorneys that are on career ladders with annual grade increases.

In non-pay, the Board projects an increase of \$5.6 million. The majority of this increase (\$4.2M million) supports a quality review contract, a support services contract, and an AI contract for centralized mail, CDP integration, and electronic communication. The Board will also be increasing transcription contract requirements to keep pace with the increased number of hearings held. Finally, the increase will fund IAAs for Departmental services for the Board's growing FTE and for supplies, equipment, and a nominal increase for rents costs.

COVID-19 Supplemental Appropriations

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.

Board of Veterans' Appeals CARES Act Funding (\$\$ in thousands)						
Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	1,000	-	-	-	-	-
Reimbursable obligations	-	-	-	-	-	-
Total obligations	1,000	-	-	-	-	-
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	-	-	-	-	-	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	-	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation*	1,000	-	-	-	-	-
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	-	-	-	-	-	-
Offsetting collections	-	-	-	-	-	-
Subtotal, budget authority	-	-	-	-	-	-
Total budgetary resources	1,000	-	-	-	-	-
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	-	-	-	-	-	-

*Transferred from VHA

In 2021, the Board executed the full \$1 million in CARES Act transfer funds for COVID related costs. The Board utilized overtime for administrative intake and mail processing to quickly prepare cases for decisions. The CARES funds also supported costs related to the Board’s decision to decrease its footprint and return an entire floor of leased space. Finally, the Board used the funds to offer over 1,000 more hearings to Veterans.

Board of Veterans' Appeals
American Rescue Plan (ARP) Funding
(\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	1,569	5,311	5,311	3,120	-2,191	-41%
Reimbursable obligations	-	-	-	-	-	-
Total obligations	1,569	5,311	5,311	3,120	-2,191	-41%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	-	8,431	8,431	3,120	-5,311	-63%
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	-	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	10,000	-	-	-	-	-
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	-	-	-	-	-	-
Offsetting collections	-	-	-	-	-	-
Subtotal, budget authority	-	-	-	-	-	-
Total budgetary resources	10,000	8,431	8,431	3,120	-5,311	-63%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	8,431	3,120	3,120	-	-3,120	-

The Board executed just over \$1.5 million of ARP funding in 2021. Partnering with VBA, the Board awarded a \$600 thousand reimbursable temporary detail agreement. This fully trained team from VBA were utilized from day one and greatly helped in improving mail processing and intake. Another \$108 thousand was used to fund 2-year temporary hires to assist in scheduling of hearings, mail processing, and intake. Finally, an additional \$500 thousand was dedicated to targeted acting Veteran Law Judge overtime to increase dispatched appeals.

In 2022, \$5.3 million in ARP funds are being obligated to support 36 NTE 2-year employees currently assisting in intake, hearing management, and mail processing. The funds are also being used for targeted overtime and for a new 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 final \$3.1 million in ARP obligations will be utilized in 2023. This will continue to fund the 2-year temporary hires made at the end of 2021 in hearing support, mail processing and case intake.

Net Change	
Board of Veterans' Appeals	
2023 Summary of Resource Requirements	
(dollars in thousands)	
2022 President's Budget	\$228,000
2023 Current Services Adjustments:	
Pay Raise Increase (4.6%)	\$4,946
Benefits Increases (2.2%)	\$1,204
Other Payroll Expenses	\$3,219
Non-Pay Increases	\$1,391
2023 Current Initiatives	
Legacy and AMA Appeals Timeliness (FTE)	\$33,034
Caregiver Appeals Overtime	\$8,769
Artificial Intelligence Contract	\$2,575
Strategic Planning and Quality Review	\$1,634
Subtotal	\$57,000
2023 Total Budget Authority Request	\$285,000

Explanation of 2023 Increases for Initiatives

At the core of the request for resources is the SECVA priority to increase Veteran access to benefits and services. These resources support the Board's mission to adjudicate appeals in a timely manner. Despite continued record levels of appeal decisions, the number of AMA appeals pending increased 98% in 2021. As such, an increase in decision capacity is needed in 2023 with a goal of meeting the newly established timeliness goals for AMA dockets while processing new caregiver appeals.

At the requested funding level, \$33.0 million is necessary for additional FTE and administrative costs to address the current and projected inventory of legacy and AMA appeals, and \$8.8 million for overtime and administrative costs dedicated to processing caregiver appeals in 2023. With approximately 18% of caregiver appeals requesting a hearing, the Board is also preparing to have resources available to potentially schedule and conduct 708 hearings for caregiver appeals in 2023. These funds will ensure the declining legacy inventory continues while adding increased capability to administer both AMA and caregiver appeals as outlined in the Board's workload estimates.

Additional initiatives include non-payroll costs of \$4.2 million to improve dispatch and case intake efficiency, centralized mail portal and appeals docketing improvements, quality assurance program validation, and enhancements to electronic communications with Veterans.

	2021	2022	2023	Increase (+)
# of FTE	Actual	Estimate	Request	Decrease (-)
EX	1	1	1	0
SES	7	9	12	+3
SL	0	0	0	0
AL	107	138	150	+12
GS -15	21	28	30	+2
GS -14	452	459	563	+104
GS -13	266	270	331	+61
GS -12	145	147	180	+33
GS -11	108	113	142	+29
GS -10	0	0	0	0
GS -9	46	46	57	+11
GS -8	5	5	5	0
GS -7	12	12	14	2
GS -6	5	5	5	0
GS -5	0	0	0	0
GS -4	7	7	6	-1
GS -3	0	0	0	0
GS -2	0	0	0	0
GS -1	0	0	0	0
Total Number of FTE	1,182	1,240	1,496	+256
ARP Funded FTE	0	36	36	0
Total Funded FTE	1,182	1,276	1,532	+256



General Administration

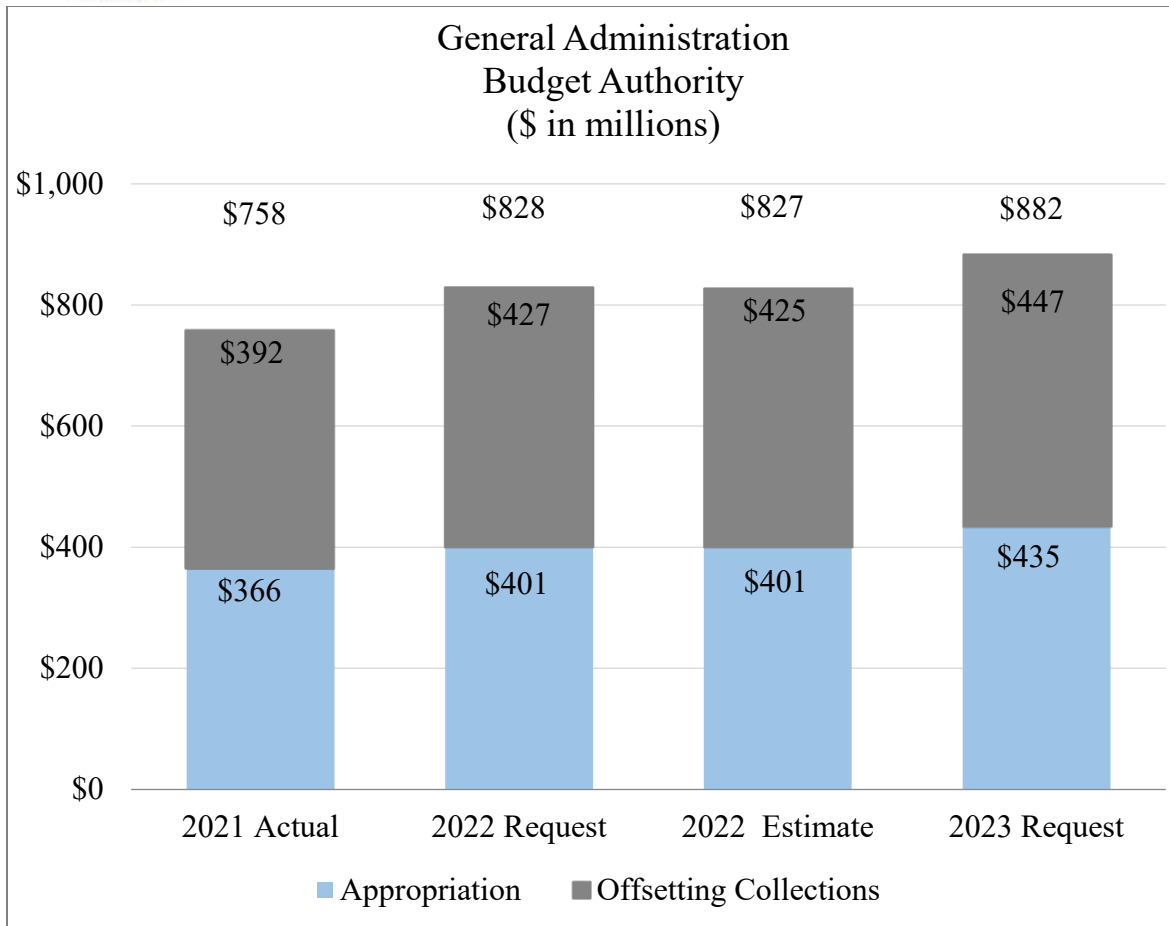
Part 5

Summary	279
Office of the Secretary	293
Office of General Counsel	303
Office of Management	319
Human Resources & Administration/Operations, Security, & Preparedness	337
Office of Enterprise Integration	367
Office of Public and Intergovernmental Affairs	375
Congressional and Legislative Affairs	383
Office of Acquisition, Logistics, and Construction	389
Veterans Experience Office	401
Office of Accountability and Whistleblower Protection	417
Asset and Infrastructure Review Commission	427
Inspector General	431
Office of Acquisition and Logistics/Office of Acquisition Operations: Supply Fund	455
Franchise Fund; Enterprise Centers	461
Pershing Hall Revolving Fund	469
Recurring Expense Transformational Fund	471

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Departmental General Administration



2021 funding 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, \$435,000,000, of which not to exceed 10 percent shall remain available until September 30, 2024: 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 (OM) 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 whistleblower retaliation; tracks and confirms the implementation of recommendation from audits and investigations; and identifies trends to address concerns proactively.

General Administration
Budgetary Resources
(\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	367,902	401,200	401,200	435,000	33,800	8.42%
Reimbursable obligations	392,196	427,159	425,585	447,423	21,838	5.13%
Total obligations	760,098	828,359	826,785	882,423	55,638	6.73%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	10,800					
Unobligated balance transfers between expired and unexpired accounts						
Subtotal, unobligated balance	10,800					
Budget authority:						
Appropriations, discretionary						
Appropriation	365,911	401,200	401,200	435,000	33,800	8.42%
Unobligated balance of appropriations permanently reduced	-12,000					
Subtotal, appropriations	353,911	401,200	401,200	435,000	33,800	8.42%
Offsetting collections	392,196	427,159	425,585	447,423	21,838	5.13%
Subtotal, budget authority	746,107	828,359	826,785	882,423	55,638	6.73%
Total budgetary resources	756,907	828,359	826,785	882,423	55,638	10.39%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	8,809	-	-	-	-	-

General Administration
 Budgetary Resources - CARES Act
 (\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate		
					\$	%	
Obligations							
Direct obligations	4,310						
Reimbursable obligations							
Total obligations	4,310	0	0	0	0	0.0%	
Budgetary resources							
Unobligated balance:							
Unobligated balance brought forward, Oct 1	4,340						
Unobligated balance transfers between expired and unexpired accounts							
Subtotal, unobligated balance	4,340						
Budget authority:							
Appropriations, discretionary							
Appropriation	-						
Unobligated balance of appropriations permanently reduced	-						
Subtotal, appropriations	-						
Offsetting collections							
Subtotal, budget authority							
Total budgetary resources	4,340						
Unobligated balance expiring	30	-	-	-	-	-	-
Unexpired unobligated balance	-	-	-	-	-	-	-

Note: \$1.7 million of the \$6 million CARES Act funding was obligated in 2020.

General Administration Obligations by Office (\$s in thousands)						
Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Office of the Secretary	16,395	16,265	16,265	17,324	1,059	7%
Office of General Counsel	117,586	125,510	125,510	137,347	11,837	9%
Office of Management	65,332	73,726	73,726	78,564	4,838	7%
Office of Human Resources & Administration/ Operations, Security & Preparedness	96,498	103,646	103,646	111,394	7,748	7%
Office of Enterprise Integration	27,445	33,636	33,636	36,229	2,593	8%
Office of Public & Intergovernmental Affairs	15,712	14,435	14,435	16,264	1,829	13%
Office of Congressional & Legislative Affairs	8,488	7,480	7,480	9,545	2,065	28%
Office of Acquisition, Logistics & Construction	-	-	-	-	-	-
Veterans Experience Office	-	-	-	-	-	-
Office of Accountability & Whistleblower Protection	20,446	26,502	26,502	28,333	1,831	7%
Subtotal, direct	367,902	401,200	401,200	435,000	33,800	8%
Reimbursable						
Office of the Secretary	5,643	6,609	6,557	6,812	255	4%
Office of General Counsel	22,212	24,318	24,634	25,784	1,150	5%
Office of Management	1,038	728	820	900	80	10%
Office of Human Resources & Administration/ Operations, Security & Preparedness	157,256	136,956	134,285	144,695	10,410	8%
Office of Enterprise Integration	5,725	4,000	4,000	4,000	-	-
Office of Public & Intergovernmental Affairs	16,541	16,402	16,402	17,110	708	4%
Office of Congressional & Legislative Affairs	-	-	-	-	-	-
Office of Acquisition, Logistics & Construction 1/	89,758	138,647	138,647	154,353	15,706	11%
Veterans Experience Office	94,023	99,499	100,240	111,755	11,515	11%
Office of Accountability & Whistleblower Protection	-	-	-	-	-	-
Subtotal, reimbursable	392,196	427,159	425,585	465,409	39,824	9.4%
Total	760,098	828,359	826,785	900,409	73,624	8.9%

1/ FY 2023 includes \$17,986 as prior year balances from Major Construction

General Administration Obligations by Office - CARES Act ((\$ in thousands)				
Office	2020 Actual	2021 Actual	CARES Act Total	Accomplishments
Office of the Secretary				
Office of General Counsel				
Office of Management		2,910	2,910	Supported change of rollout of new financial and acquisition system (iFAMS) from in-person to virtual
Office of Human Resources & Administration/ Operations, Security & Preparedness	1,660	1,400	3,060	Implemented COVID-19 response measures at VA Central Office
Office of Enterprise Integration				
Office of Public & Intergovernmental Affairs				
Office of Congressional & Legislative Affairs				
Office of Acquisition, Logistics & Construction				
Veterans Experience Office				
Office of Accountability & Whistleblower Protection				
Total Obligations	1,660	4,310	5,970	

General Administration Appropriations by Office ((\$ in thousands)						
Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Appropriation						
Office of the Secretary	15,500	16,265	16,265	17,324	1,059	6.5%
Office of General Counsel	117,000	125,510	125,510	137,347	11,837	9.4%
Office of Management	64,407	73,726	73,726	78,564	4,838	6.6%
Office of Human Resources & Administration/ Operations, Security & Preparedness	97,132	103,646	103,646	111,394	7,748	7.5%
Office of Enterprise Integration	28,652	33,636	33,636	36,229	2,593	7.7%
Office of Public & Intergovernmental Affairs	13,500	14,435	14,435	16,264	1,829	12.7%
Office of Congressional & Legislative Affairs	7,000	7,480	7,480	9,545	2,065	27.6%
Office of Accountability & Whistleblower	22,720	26,502	26,502	28,333	1,831	6.9%
Total appropriation	365,911	401,200	401,200	435,000	33,800	8.4%
Rescission	-12,000	-	-	-	-	-
Net appropriation	353,911	401,200	401,200	435,000	33,800	8.4%

General Administration
FTE by Office

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Direct						
Office of the Secretary	85	80	80	82	2	3%
Office of General Counsel	685	717	688	721	33	5%
Office of Management	249	316	316	319	3	1%
Office of Human Resources & Administration/ Operations, Security & Preparedness	323	346	346	364	18	5%
Office of Enterprise Integration	79	106	80	102	22	28%
Office of Public & Intergovernmental Affairs	79	67	67	76	9	13%
Office of Congressional & Legislative Affairs	46	40	40	51	11	28%
Office of Acquisition, Logistics & Construction	-	-	-	-	-	-
Veterans Experience Office	-	-	-	-	-	-
Office of Accountability & Whistleblower Protection	106	135	135	141	6	4%
Subtotal. direct	1,652	1,807	1,752	1,856	104	11.0%
Reimbursable						
Office of the Secretary	26	36	36	36	-	0%
Office of General Counsel	142	149	149	152	3	2%
Office of Management	5	4	4	5	1	25%
Office of Human Resources & Administration/ Operations, Security & Preparedness	383	483	478	486	8	2%
Office of Enterprise Integration	3	-	-	-	-	-
Office of Public & Intergovernmental Affairs	-	-	-	1	1	-
Office of Congressional & Legislative Affairs	-	-	-	-	-	-
Office of Acquisition, Logistics & Construction	375	571	571	573	2	0%
Veterans Experience Office	163	291	343	343	-	0%
Office of Accountability & Whistleblower Protection	-	-	-	-	-	-
Subtotal. reimbursable	1,097	1,534	1,581	1,596	15	0.9%
Total	2,749	3,341	3,333	3,452	119	3.6%

Note:

2021 FTE displayed here does not match the Budget Appendix due to a data entry error in the Budget Appendix

2022 FTE displayed here does not match the Budget Appendix because it assumed a full year Continuing resolution where VA Budget Request used its 2022 Request levels

Summary of Budget Request

In 2023, VA is requesting \$435 million and 3,452 FTE for the General Administration account. This FTE request includes 1,856 direct funded FTE and 1,596 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 2023 include:

- \$17.3 million in budget authority and 118 total FTE 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 includes reimbursable funds to support 36 FTE in the Office of Employment Discrimination Complaint Adjudication that report directly to the Secretary.
- \$137.3 million in budget authority and 873 total FTE for the Office of General Counsel. The request includes \$6.3 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 for the Guardianship proposal, employment litigation, records management, and additional office spaces to accommodate growing workloads.
- \$78.6 million in budget authority and 324 total FTE for the Office of Management. The budget request includes \$1.9 million to ensure financial system integrity, support additional audit tasks relating to the new financial system, improve Strategic Capital Investment Planning, expand Enhanced Use Lease program, and increase staff to support Climate Change.
- \$111.4 million in budget authority and 850 total FTE for the Office of Human Resources and Administration/Operations, Security and Preparedness. The request includes \$4 million for HR services including labor relations, manpower management, building maintenance, and recruitment and retention. It also supports emergency preparedness such as maintaining Alternate Operating sites.
- \$36.2 million in budget authority and 102 total FTE for the Office of Enterprise Integration. The request includes \$1.3 million for implementation of the Evidence-Based Policymaking Act, which includes fully functional program office to manage Paperwork Reduction Act activities, and Enterprise Governance Support.
- \$16.3 million in budget authority and 77 total FTE for the Office of Public and Intergovernmental Affairs. The budget request includes \$1.2 million to support ChooseVA campaigns. These outreach activities enable VA to communicate effectively with Veterans and the public and local governments by positively enforcing its commitment and readiness to serve America's Veterans of all generations.

- \$9.5 million in budget authority and 51 FTE for the Office of Congressional and Legislative Affairs (OCLA). The budget request includes \$1.7 million to support the growing workload under the 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.
- \$154.4 million in reimbursable authority to support 573 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.
- \$111.8 million in reimbursable authority and 343 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.
- \$28.3 million in budget authority to support 141 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.

Net Change
General Administration
2023 Summary of Resources Requirements
(\$ in thousands)

2022 President's Budget	\$401,200
2023 Current Service Adjustments	
Payraise, Inflation	\$15,919
Initiatives/Programmatic Changes	
Personnel for legal representation before U.S. Court of Appeals for Veterans Claims; Employment Litigation, Guardianship Proposal, Record Management and Preventative Law workloads including legal reviews and advice (OGC)	\$4,898
Manpower Management, Labor Relations, Recruitment and Retention, and Lifecycle HR support services for executives (HRA/OSP)	\$2,384
Resources for Financial initiatives, Financial integrity, EUL program, SCIP and Climate Change (OM)	\$1,905
Personnel to support the current and expected increase in workload and oversight (OCLA)	\$1,728
Support the implementation Evidence Based Policymaking Act of 2019 and Enterprise Governance (OEI)	\$1,333
Office Space (OGC)	\$1,352
Support ChooseVA campaigns and maintain current level of actual FTE to meet OPIA mission (OPIA)	\$1,230
Personnel to implement oversight and compliance requirements of the Accountability and Whistleblower Protection Act by conducting timely investigations (OAWP)	\$1,133
Maintain Alternative Operating sites (HRA/OSP)	\$1,069
Building Management (HRA/OSP)	\$512
Additional FTE to support VA mission (OSVA)	\$337
Subtotal	\$17,881
2023 Request	\$435,000

Employment Summary - FTE by Grade				
General Administration Grade	2021 Actual	2022 Current	2023 Request	Increase (+) Decrease (-)
SES	106	129	133	4
GS-15	341	414	428	14
GS-14	1,040	1,265	1,308	43
GS-13	591	718	742	24
GS-12	264	320	331	11
GS-11	172	208	215	7
GS-10	2	2	2	0
GS-9	85	104	107	3
GS-8	16	19	20	1
GS-7	91	111	115	4
GS-6	15	18	19	1
GS-5	9	11	11	0
GS-4	11	13	14	1
GS-3	4	5	5	0
GS-2	1	1	1	0
GS-1	1	1	1	0
Total Number of FTE	2,749	3,339	3,452	113

Analysis of FTE Distribution - Headquarters/Field		
General Administration Grade	2021 HQ - Actual	2021 Field - Actual
SES	54	52
GS-15	175	166
GS-14	534	506
GS-13	303	288
GS-12	136	128
GS-11	88	84
GS-10	1	1
GS-9	44	41
GS-8	8	8
GS-7	47	44
GS-6	8	7
GS-5	5	4
GS-4	6	5
GS-3	2	2
GS-2	1	0
GS-1	1	0
Total Number of FTE	1,411	1,338

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Office of the Secretary

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 Budgetary Resources (\$s in thousands)						
Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	16,395	16,265	16,265	17,324	1,059	6.5%
Reimbursable obligations	5,643	6,609	6,557	6,812	255	3.9%
Total obligations	22,038	22,874	22,822	24,136	1,314	5.8%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	1,262	-	-	-	-	-
Subtotal, unobligated balance	1,262	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	15,500	16,265	16,265	17,324	1,059	6.5%
Subtotal, appropriations	15,500	16,265	16,265	17,324	1,059	6.5%
Offsetting collections	5,643	6,609	6,557	6,812	255	3.9%
Subtotal, budget authority	21,143	22,874	22,822	24,136	1,314	5.8%
Total budgetary resources	22,405	22,874	22,822	24,136	1,314	5.8%
Unexpired unobligated balance	367	-	-	-	-	-

Office of the Secretary
Summary of Budget Request
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Immediate Office of the Secretary	12,738	12,789	12,789	13,711	922	7.2%
Center for Minority Veterans	1,817	1,972	1,972	2,046	74	3.8%
Center for Women Veterans	1,363	1,504	1,504	1,567	63	4.2%
Office of Survivors Assistance	477	-	-	-	-	-
Subtotal, direct	16,395	16,265	16,265	17,324	1,059	6.5%
Reimbursable						
Office of Employment Discrimination Complaint Adjudication	5,643	6,609	6,557	6,812	255	3.9%
Subtotal, reimbursable	5,643	6,609	6,557	6,812	255	3.9%
Total	22,038	22,874	22,822	24,136	1,314	5.8%

*In 2021, OSVA received \$1.3 million in General Administration Carryover funding to support on-boarding FTE.
In 2021, the Office of Survivors Assistance was realigned to the Veterans Benefits Administration.*

Office of the Secretary
Summary of FTE Request

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Direct						
Immediate Office of the Secretary	69	63	63	65	2	3.2%
Center for Minority Veterans	9	9	9	9	-	0.0%
Center for Women Veterans	7	8	8	8	-	0.0%
Office of Survivors Assistance	1	-	-	-	-	-
Subtotal, direct	86	80	80	82	2	2.5%
Reimbursable						
Office of Employment Discrimination Complaint Adjudication	26	36	36	36	-	0.0%
Subtotal, reimbursable	26	36	36	36	-	0.0%
Total	112	116	116	118	2	1.7%

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 **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:

- 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 women Veterans are eligible.
- Advising the Secretary when laws or policies have the effect of discouraging the use of benefits by women Veterans.
- Identifying and recommending effective VA policies, practices, programs, and related activities for women Veterans and disseminating information internally and to the public.

- Consulting, collaborating, assisting, and providing information to officials responsible for administering federal, state, and local, faith-based, community, and private programs that assist Veterans, to encourage those officials to adopt policies that promote the use of those programs by women Veterans.
- Collaborating with federal, state, and local agencies, Veterans Service Organizations (VSOs), and faith-based and community partners to provide information affecting women Veterans and to encourage adoption of policies and programs that are supportive and inclusive of women-identified Veterans.
- Managing the Women Veterans Program, which monitors and coordinates VA's administration of health Care, benefits, services, and programs for Women Veterans.
- Conducting and sponsoring social, demographic, or comprehensive research and studies on issues affecting women Veterans, including those required by legislative mandates.
- Publicizing the results of medical research that are of significance for women Veterans.
- Communicating with women Veterans, their families, caregivers, and external partners on VA benefits and services across various platforms and venues.
- Leading cultural transformation both inside and outside VA for women and women-identified Veterans, emphasizing the responsibility to treat them with dignity and respect, to improve safety and ensuring equity in access, eligibility, care, and service delivery.
- 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.
- Providing 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.

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).

On January 1, 2021, the National Defense Authorization Act (NDAA) was enacted, mandating the transfer of the Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran-Owned Small Business (SDVOSB) verification function from VA to the Small Business Administration (SBA) no later than January 2023. All OSDBU's other functions, including those mandated by the Small Business Act are to remain within VA, and VA will continue to verify applicants' service-disabled status. VA is collaboratively partnering with SBA to share information on the verification process and provide technical assistance. VA and SBA have established an interagency working group, with subgroups focused on specific subjects, such as information technology. VA will revise the Department's staffing and infrastructure once all transferring functions are successfully migrated to SBA. VA will reimburse SBA for costs associated with reviewing certification requests from applicants that upon review did not qualify as VOSBs or SDVOSBs.

Budget Highlights

The 2023 request provides for the following:

- An average employment level of 118 FTE and total obligational authority of \$24.1 million to support operations of the Office of the Secretary, which includes CMV, CWV, OSA, and OEDCA. This request comprises \$17.3 million in direct appropriations and \$6.8 million in reimbursable authority.
- Direct appropriations of \$17.3 million will support 82 FTE for executive leadership and direction and Department oversight of all of VA's programs.
- \$6.8 million in total reimbursements will support 36 FTE and the Office of the Secretary's 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.
- The increase of \$1.1 million supports two additional FTE (\$0.3 million), and pay raises and inflation (\$0.7 million).

Office of the Secretary
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	111	116	116	118	2	1.7%
Field	-	-	-	-	-	-
Total FTE	111	116	116	118	2	1.7%
Direct obligations						
Personnel compensation	11,770	11,106	11,278	11,944	666	5.9%
Personnel benefits	3,843	3,891	3,910	4,125	215	5.5%
Travel	172	393	362	390	28	7.7%
Printing	20	5	5	5	-	0.0%
Other services	537	800	611	784	173	28.3%
Supplies and materials	29	41	78	53	-25	-32.1%
Equipment	22	29	21	23	2	9.5%
Subtotal, direct obligations	16,395	16,265	16,265	17,324	1,059	6.5%
Reimbursable obligations						
Personnel compensation	3,811	4,375	4,479	4,776	297	6.6%
Personnel benefits	1,270	1,441	1,479	1,575	96	6.5%
Travel		38	38	38	-	0.0%
Rents, communications and utilities	3	-				-
Printing		3				-
Other services	532	722	523	393	-130	-24.9%
Supplies and materials	27	30	38	30	-8	-21.1%
Subtotal, reimbursable obligations	5,643	6,609	6,557	6,812	255	3.9%
Total obligations	22,038	22,874	22,822	24,136	1,314	5.8%

In 2021, OSVA received \$1.3 million in General Administration Carryover funding to support onboarding FTE.

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Office of General Counsel

Mission Statement

The Office of General Counsel (OGC) provides legal advice and services to the Secretary of Veterans Affairs and all organizational components of the Department of Veterans Affairs (VA). The General Counsel is, by statute 38 U.S.C. § 311, the Department's Chief Legal Officer. 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 and other senior leaders, the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), the National Cemetery Administration (NCA), and all other components of the Department. Additional stakeholders include Congress, Federal courts, Federal agencies, Veterans Service Organizations, and the Veterans the Department serves.

Summary of Budget Request

By statute, the General Counsel is the Chief Legal Officer for VA. All legal support to the Department and all attorneys who represent the Department reside in OGC. In 2023, to fulfill its statutory and regulatory requirements, OGC requests \$137.3 million in direct appropriations for 721 FTE, and \$25.8 million in reimbursable authority to support 152 reimbursable FTE, to provide legal support and representation to the Secretary and the Department.

Office of General Counsel
 Budgetary Resources
 (\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	117,586	125,510	125,510	137,347	11,837	9.4%
Reimbursable obligations	22,212	24,318	24,634	25,784	1,150	4.7%
Total obligations	139,798	149,828	150,144	163,131	12,987	8.6%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	1,678	-	-	-	-	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	1,678	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	117,000	125,510	125,510	137,347	11,837	9.4%
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	117,000	125,510	125,510	137,347	11,837	9.4%
Offsetting collections	22,212	24,318	24,634	25,784	1,150	4.7%
Subtotal, budget authority	139,212	149,828	150,144	163,131	12,987	8.6%
Total budgetary resources	140,890	149,828	150,144	163,131	12,987	8.6%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	1,092	-	-	-	-	-

Office of General Counsel Summary of FTE Request						
Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Direct						
Immediate Office of General Counsel	685	717	688	721	33	4.8%
Subtotal, direct	685	717	688	721	33	4.8%
Reimbursable						
Immediate Office of General Counsel	-	-	-	-	-	-
MSCA	54	58	58	60	2	3.4%
Credit Reform	24	24	24	25	1	4.2%
Supply	62	65	65	65	-	0.0%
Debt Management Center	2	2	2	2	-	0.0%
Other Reimbursements	-	-	-	-	-	-
Subtotal, reimbursable	142	149	149	152	3	2.0%
Total	827	866	837	873	36	4.3%

Office of General Counsel Summary of Budget Request (\$s thousands)						
Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Immediate Office of General Counsel	117,586	125,510	125,510	137,347	11,837	9.4%
Subtotal, direct	117,586	125,510	125,510	137,347	11,837	9.4%
Reimbursable						
MSCA	6,704	6,942	7,173	7,689	516	7.2%
Credit Reform	3,680	4,015	4,057	4,315	258	6.4%
Supply	11,363	12,827	12,828	13,163	335	2.6%
Debt Management Center	274	284	317	332	15	4.7%
Other Reimbursements	191	250	259	285	26	10.2%
Subtotal, reimbursable	22,212	24,318	24,634	25,784	1,150	4.7%
Total	139,798	149,828	150,144	163,131	12,987	8.6%

Distribution of Resource Requirements over OGC Areas of Practice

Practice Areas:	2021 Actual \$	FTE	2022 CE \$	FTE	2023 Request \$	FTE
Budget Authority						
Employment Law	\$ 50,476	294	\$ 53,969	296	\$ 59,059	310
CAVC (Appeal of BVA Decisions)	\$ 24,693	144	\$ 26,357	144	\$ 28,843	151
Tort Claim Adjudication	\$ 10,583	62	\$ 11,296	62	\$ 12,361	65
Information & Administrative Law	\$ 5,879	34	\$ 6,275	34	\$ 6,867	36
Contract Law	\$ 5,879	34	\$ 6,275	34	\$ 6,867	36
Health Law	\$ 5,879	34	\$ 6,275	34	\$ 6,867	36
Management & Operational Support	\$ 5,879	34	\$ 6,275	34	\$ 6,867	36
Benefits Law	\$ 4,703	27	\$ 5,020	28	\$ 5,494	29
Ethics	\$ 3,528	21	\$ 3,765	21	\$ 4,120	22
Loan Guaranty	\$ 86	1	\$ -	0	\$ -	0
Subtotal, Budget Authority	\$ 117,586	685	\$ 125,510	688	\$ 137,347	721
Reimbursable Authority						
Contract Law (Supply Fund)	\$ 9,999	65	\$ 11,045	68	\$ 11,592	69
Loan Guaranty (Credit Reform)	\$ 3,011	19	\$ 3,339	20	\$ 3,495	21
Revenue (DMC & MSCA)	\$ 9,012	58	\$ 9,950	61	\$ 10,446	62
Other Reimbursements ^{1/}	\$ 190	0	\$ 299	0	\$ 250	0
Subtotal, Reimbursable Authority	\$ 22,212	142	\$ 24,634	149	\$ 25,784	152
Total Resource Requirements	\$ 139,798	827	\$ 150,144	837	\$ 163,131	873

^{1/} Includes funding OGC anticipates for reimbursement of Financial Disclosure Management (FDM) services and use of OGC's Lexis Nexis contract.

Program Description

OGC is composed of 17 law groups that are aligned to one of ten “areas of practice” to best maximize efficiencies and resources. This includes ten national subject-matter law groups (i.e., benefits, ethics, health care, information and administrative law, loan guaranty, personnel, procurement, real property, revenue, and torts); six geographically based law groups focusing on employment and contract law; and one law group which represents the Secretary before the U.S. Court of Appeals for Veterans Claims (CAVC) in contested benefits decisions.

OGC provides the full range of legal and litigation services, as well as support for legislative and regulatory activities, to include:

- Providing 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.

- Supporting implementation of VA priorities and major initiatives such as the VA MISSION Act of 2018, the Veteran Appeals Improvement and Modernization Act of 2017 (AMA), 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 of varying complexity to more than 9 million Veterans at 1,293 health care facilities, 171 VA Medical Centers and 1,112 outpatient sites.
- Address the legal issues arising from the interpretation and application of laws and regulations to the work of VA's more than 400,000 full time staff.
- Assist VA leaders and employees maintain an ethical culture and ensure adherence to applicable laws and regulations.

Employment Law - OGC provides advice to VA management regarding human resources (Titles 5 and 38), labor relations, Equal Employment Opportunity (EEO), Merit Systems Protection Board, Office of Special Counsel (whistleblower retaliation), and immigration matters. Legal support in this area includes:

- Advice on proposed disciplinary actions taken pursuant to over 15 statutory authorities.
- Hearings and settlement of employment litigation matters nation-wide.
- Expedited review of proposed disciplinary charges and advice to Department management in VACO and across the nation on actions taken under the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 (VAAWPA).
- Employee disciplinary actions appealed to the Merit Systems Protection Board, including expedited removal authority cases.
- Employee complaints of discrimination, retaliation or harassment before the Equal Employment Opportunity Commission (EEOC).
- Title 38 employee actions, including reporting personnel to the National Practitioner Data Bank and State licensing boards, and disciplinary matters before Disciplinary Appeals Boards.
- Employee whistleblower and Prohibited Personnel Action complaints before the Office of Special Counsel, including stay requests.
- Labor management issues before the Federal Labor Relations Authority (FLRA).
- Technical assistance and policy drafting assistance related to employment law legislation.
- Employee requests for representation by the Department of Justice (DOJ).
- Inspector General and criminal investigations.
- Labor-management relations, including arbitrations and contract negotiation advice.
- Support to DOJ of employment cases and class action cases filed in Federal Court.
- General employment issues (includes Office of Special Counsel investigations, Administrative Investigations and Fact Findings, Classification, Employee Agreements, Delegations of Authority, Employee Benefits, including pay, awards, and leave, Employee Education Programs and Scholarships, Immigration, Occupational Health and Workers Compensation, Senior Executive Service and Political Appointees, Staffing, etc.).

Significant Impacts to Workload: Two recent adverse FLRA decisions found (1) that VA failed to meet its bargaining obligations when it unilaterally implemented VAAWPA and ordered retroactive bargaining, and (2) that 38 U.S.C. § 714 does not supersede the American Federation of Government Employees (AFGE)/VA collective bargaining agreement, therefore the VA was

required to comply with Article 27, Section 10 concerning performance improvement plans (PIP). OGC must negotiate with the AFGE in determining whether any of the approximately 4,000 employees removed pursuant to 38 U.S.C. § 714 would have been adversely affected by the failure to bargain. OGC must work with VA to identify all AFGE employees who received a performance action under § 714 without first receiving a PIP and provide relief to make them whole.

Representation before the U.S. Court of Appeals for Veterans Claims – 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. Legal support in this area includes:

- Representing the Secretary in all litigation brought before the CAVC. Historically, 8-10% of all BVA decisions are appealed to the CAVC (resulting in approximately 8,800 appeals in 2021).
- Requests for class action, writ petitions, and applications for attorney fees under the Equal Access to Justice Act.

Significant Impacts to Workload: BVA is expected to increase its output significantly due to American Rescue Plan Act of 2021 funding. BVA is expected to issue 111,000 decisions in 2022 and estimates issuing 130,000 decisions in 2023. OGC has urgent resource needs in this practice area to address the anticipated 33% increase in workload between 2021 and 2023 and prevent it from becoming a source of delay in resolving veterans claims.

Contract Law (includes Reimbursable) - 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 in this area includes:

- Litigation against the Department pursuant to contracts and solicitations.
- Procurement (includes construction, supply, and service contracts).
- Expanded sharing of medical facilities, equipment, and information.
- 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.
- Enhanced-use leases of real property.
- 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). This includes providing litigation assistance when DOJ represents VA in litigation. Legal support in this area includes:

- Process medical malpractice claims (2,141 medical malpractice claims in 2020 and 1,118 as of June 30 in 2021).

- Process non-medical malpractice claims (949 non-medical malpractice claims in 2020 and 463 as of June 30 in 2021).
- Provides guidance to VHA for liability considerations under the Federal Tort Claims Act.
- Provide guidance to development of electronic medical health records and documentation concerning those records.

Information and Administrative Law – OGC provides advice regarding Freedom of Information Act (FOIA), Privacy Act, Health Insurance Portability and Accountability Act (HIPAA), information security and technology, records and information management, data governance, copyright and trademarks, communications with Congress, appropriations law, law enforcement and public-private partnerships. Legal support in this area includes:

- Disclosure of information (e.g., Congress, Touhy, FOIA, Privacy Act).
- Electronic discovery of Department records in litigation matters across areas of practice.
- Federal Advisory Committee Act (FACA).
- Administrative Procedure Act (APA).
- Organization/reorganization of VA and its component parts.
- Authorized use of appropriated funds and other fiscal matters.
- Federal Records Act.
- Paperwork Reduction Act.
- 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).
- Law enforcement and emergency operations.

Health Law - OGC provides advice to VHA regarding health care administration and operations, including eligibility for care, homeless programs, Veterans Canteen Service, patents, medical research, non-profit research corporations and VA regulations. Legal support in this area includes:

- Access to care, including eligibility issues, community care, urgent care, and other non-VA services.
- Caregiver benefits.
- Grants and supportive services for homeless veterans and their families.
- Office of Medical Inspector reports.
- State Veterans' Homes program.
- Issues relating to the administration and management of a health care system.
- Patient safety.
- Bioethics.
- Medical Research and innovation.
- Human subject protection.
- Clinical trials.
- Canteen Service operations.
- Non-profit research corporations (issues related to incorporation and management).
- Technology Transfer.
- Intellectual Property (determination of rights for inventions, patents, and patent licensing).

Benefits Law - OGC provides legal advice regarding benefits administered by VBA and NCA, and with the assistance of DOJ, represents the Secretary in litigation at the U.S. Court of Appeals for the Federal Circuit. The Benefit Law Group also manages VA's Accreditation, Discipline, & Fees program that oversees 92 organizations and approximately 17,000 individuals who are accredited to provide representation of claimants before VA. Legal support in this area includes:

- Compensation, Pensions, and Survivors' Benefits.
- Education programs and Veteran Readiness and Employment.
- Burial benefits.
- National Service Life Insurance, Servicemembers' Group Life Insurance, and Veterans Affairs Life Insurance (VALI).
- Appointment and removal of fiduciaries.
- Attorney fees for claimant representation.

Ethics - OGC manages the VA's government ethics program and provides guidance on government ethics questions from VA employees and former employees on topics such as conflicts-of-interest, gift acceptance, travel expense reimbursement, attendance at widely attended gatherings, endorsements, political activities, post-government employment restrictions, seeking employment recusals, and outside activities. Legal support in this area includes:

- Management of the Agency Integrated Ethics Program to include mandatory ethics training and coordination with the Office of Government Ethics, the Office of Special Counsel and the VA Office of Inspector General.
- Advice related to Government Ethics and Hatch Act questions and issues at a rate of almost 9,000 inquiries per year.
- Review of Department Public Financial Disclosures numbering more than 700 per season, plus new entrant filer reviews.
- Review of Department Confidential Financial Disclosures numbering about 11,000 per season, plus new entrant filer reviews.

Revenue (Reimbursable) – OGC recovers funds owed to the United States by using various legal-collection remedies, to include litigation in Federal and state courts. This includes revenue owed to VA from health insurance carriers, claims to recover the cost of treatment for non-VA workers compensation and personal injury claims, and support for VA's centralized debt collection program. Legal support in this area includes:

- Recovery of funds from defendant tortfeasors, workers' compensation, and auto-reparation insurance carriers (recovering approximately \$90 million in 2021).
- Negotiation of payer agreements and disputes between VA and private health insurers (recovering approximately \$8.6 million in 2021).
- Recovery of debt disputes owed to VA because of bankruptcy, probate, fraud, and erroneous payments (recovering approximately \$2 million in 2021).

Loan Guaranty (Reimbursable) – OGC advises on issues related to the efficient, legally compliant delivery of housing benefits to Veterans and Service members. This includes providing litigation assistance when DOJ represents VA in litigation, appeals or enforcement actions related to VA's home loan programs. Legal support in this area includes:

- Advice regarding VBA's Loan Guaranty Program, including protection of the Government's and Veterans' interests in the guaranty of home loans for Veterans.

- Review of titles 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.

2021 Program Successes

Veteran Appeals Improvement and Modernization Act: OGC defended VA's regulations implementing the AMA in litigation. Of the 13 regulations challenged, the U.S. Court of Appeals for the Federal Circuit dismissed ten on standing grounds and invalidated only three, two of which VA had already committed to change. The decision largely preserves VA's structural choices in the implementation of the AMA and sets a valuable precedent on the requirements of Article III standing as applied for petitions for review of VA rulemaking action under 38 U.S.C. § 502.

COVID-19 Pandemic Response: During the COVID-19 public health emergency, OGC continued to provide significant legal support that was critical to the Department's successful response to the pandemic. OGC:

- Provided expedited legal reviews of contract actions for critically needed medical supplies, personal protective equipment, as well as expanded information technology equipment and services vital to VA's ability to continue operations remotely.
- Assisted in an expedited rulemaking process to implement VA's COVID-19 partial claim payment program, a new initiative to help Veterans retain their homes as they exit COVID-19 forbearances.
- Negotiated multi-site agreements for clinical trials launched at VA Medical Centers sponsored by National Institute of Allergy and Infectious for potential new therapeutics for COVID-19. The studies are part of the National Institute of Health's Accelerating COVID-19 Therapeutic Interventions and Vaccines, a public-private partnership program instituted to speed development of the most promising treatments and vaccines.
- Assisted in revising VHA Directive 1193 for mandating vaccination of all health care providers in positions listed under 38 U.S.C. § 7421.
- Provided guidance on questions involving medical and religious exemptions to the COVID-19 vaccination mandate.
- Provided guidance on implementation of the Occupational Safety and Health Administration's Emergency Temporary Standards.

Electronic Health Record Modernization: OGC continued to provide critical legal advice and litigation support during 2021 to the Electronic Health Record Modernization (EHRM) initiative and on VA's critical 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, and small business concerns. OGC also supported changes to schedule caused by COVID-19 disruptions and reassessments generated by VA's strategic program review following its first deployment.

MISSION Act Implementation: OGC continued to provide significant legal support vital to the successful and timely implementation of the MISSION Act. OGC's successful defense of all awarded Community Care Network contracts for Regions 1,2,3,4,5, and 6, totaling more than \$100

billion dollars, allowed contract performance to continue to provide Veterans care in their communities across the United States.

OGC worked closely with VHA on the promulgation of new regulations, revision of existing regulations, and execution of contract modifications necessary to implement the MISSION Act.

- OGC was instrumental in developing regulations implementing the new Veterans Community Care Program and the new urgent care benefit.
- OGC assisted DOJ in defense of VA's October 2020 rulemaking updating the Program of Comprehensive Assistance for Family Caregivers.
- OGC reviewed and advised on proposed regulations to expand VA's authority to implement a pilot program establishing medical residency positions non-VA facilities such as health care facilities of the Department of Defense facilities and Indian Health Service.

Access to Legal Services: OGC has dedicated a full-time Medical-Legal Partnership attorney dedicated to improving Veterans' access to legal services. This includes assisting with the implementation of two new legal services grant programs: (1) Legal assistance for veterans and surviving spouses and dependents as authorized in section 548 of P.L. 115-283, and (2) Legal services for homeless veterans and veterans at risk for homelessness as authorized by section 4202 of P.L. 116-315. This attorney will also be the legal support for the \$24 million expansion of legal services in the Supportive Services for Veteran Families program using American Rescue Plan Act funds.

Accredited Representatives Oversight: In 2021, VA issued 3,000 letters of intent to cancel accreditation to representatives for failure to provide proof of continued compliance with accreditation requirements. OGC conducted audits of representative training programs of nine Veterans Service Organizations and collaborated with State Attorneys General in prosecutions of misconduct related to representation of Veterans. OGC also implemented an online examination for applicants seeking accreditation as claims representatives to assist in the preparation, presentation, and prosecution of VA benefit claims.

Authority of VA Professionals to Practice Health Care: OGC worked closely with VHA to publish VA's interim final rule in the Federal Register confirming VA's authority to allow VA health care providers to practice anywhere, regardless of their State license, registration, or certification. The rule applies to all types of VA health care providers and is an important step in advancing telemedicine. OGC is continuing to provide legal review on the creation of national scopes of practice for health care positions.

Construction and Leases:

- OGC provided legal advice and support of the Super Construction Program which is a Congressionally mandated partnership with U.S. Army Corps of Engineers. In 2021, OGC has provided concurrence on 37 construction contract modifications and orders of projects totaling over \$470 million.
- OGC provided legal support to accomplish the award of major leases in Honolulu, HI, Bakersfield, CA, Brick, NJ, and San Diego, CA. These leasing awards total approximately 184,000 square feet of space with a total rental value of approximately \$214 million and

build out costs of \$43 million. OGC successfully resolved a protest associated with the high-visibility Bakersfield, CA lease.

- OGC conducted pre-solicitation and pre-award reviews for several major construction awards. Notable projects include: Fort Sam Houston National Cemetery in San Antonio, TX (\$51 million); Great Lakes National Cemetery in Holly, MI (\$31 million); Parking Garage in San Juan, PR (\$30 million); Building 1 Renovation in Bay Pines, FL (\$41 million).

Contracting and Procurement: OGC provided legal reviews and business advice on all aspects of VA procurements, including pre-award acquisition planning and strategies, source selections and proposal evaluations, related contract litigation and all post-award contract administration issues and disputes.

- OGC provided critical support for the Transformation Twenty-One Total Technology-Next Generation (T4NG), valued at \$23 billion. T4NG is an enterprise contractual solution covering a wide range of Information Technology (IT) and Health IT services. OGC supported litigation concerning award of those contracts. Of the initial 10 protests received by GAO, seven were denied and three were withdrawn.

Representation before the Court of Appeals Veterans Claims: OGC represented the Secretary before the CAVC in approximately 15,684 new cases. This included handling more than 8,000 new appeals, as well as new writ petitions and applications for attorney fees under the Equal Access to Justice Act. Several significant precedent decisions include:

- *Mattox v. McDonough*. Upheld VA’s approach to deciding whether the individual Veteran’s disability benefits claims are adjudicated under the legacy appeals systems or the AMA.
- *Van DerMark v. McDonough*. Upheld VA’s interpretation of 38 U.S.C. § 1724 as generally barring VA from paying for emergency treatment received abroad for non-service-connected conditions.
- *Rouse v. McDonough*. Found VA does not need to adopt other Agency’s definitions when interpreting its own regulations. Specifically, the Court held that VA did not need to adopt Social Security Administration definitions for sedentary work when interpreting its own regulations related to total disability awards.

Intellectual Property Rights: OGC represented VA and prevailed in an appeal before the National Institute of Standards and Technology over VA’s Determination of Rights to (1) Intranasal Ketamine for Treatment Resistant Depression, and (2) Suicidal Ideation Inventions. These two historic decisions will assist VA enforce its intellectual property rights in these inventions.

Labor and Management Relations: During 2021, OGC worked closely with VA senior leadership and Labor-Management Relations (LMR) in carrying out the President’s and VA Secretary’s direction to more effectively work with our union and employee partners. OGC negotiated global settlements with AFGE, National Association of Government Employees (NAGE), National Federation of Federal Employees (NFFE), and NNU addressing 33 pending national and local labor matters and complaints being handled by DOJ in District Court concerning VA’s implementations of Executive Orders 13836 (Developing Efficient, Effective, and Cost-

Reducing Approaches to Federal Sector Collective Bargaining), 13837 (Ensuring Transparency, Accountability, and Efficiency in Taxpayer-Funded Union Time Use), and 13839 (Promoting Accountability and Streamlining Removal Procedures Consistent with Merit System Principles), limitations on official time for Title 38 employees, and the renegotiation of VA's national successor collective bargaining agreements.

Medical Care Cost Recovery: In 2021, OGC increased recoveries by 20% as compared to 2020. This reimbursable program provides VHA a \$14.5 to \$1 return on investment. In addition, OGC reviewed and negotiated 58 regional and national Other Health Insurance payer agreements, supporting VA's efforts to maximize health insurance recoveries and improve the relationship between VA and private insurers.

Presumptive Service Connection Based on Exposure to Particulate Matter: OGC provided extensive advice and support on the Department's creation of presumptive service connection for three respiratory conditions due to exposure to particulate matter in 38 C.F.R. § 3.320. OGC provided support for the Secretary's decision to implement the regulation through an interim final rule, clarified the underlying authority, and ensured consistency and compliance with other legal requirements. The presumptions, which provide additional benefits to certain Veterans, were developed and implemented on an expedited basis.

Public-Private Partnerships: OGC continues to support VA's ability to partner with several nonprofit organizations and for-profit companies to help achieve this endeavor. In 2021, OGC has developed and reviewed 70 partnership agreements.

Tort Claim Administration: In 2021, OGC reduced the pending number of requests for reconsideration by 38% and reduced average days of pending administrative tort claims by 23%. In collaboration with VHA enterprise risk management, OGC implemented new tort claim processes and revised an internal policy to comply with requirements of Section 7010 of the Isakson and Roe Veterans Health Care and Benefits Improvement Act of 2020, which requires VA to provide certain notice to individuals filing tort claims concerning contractor status.

Budget Highlights

In 2023, OGC requests \$137.3 million in direct appropriations to support 721 FTE, and \$25.8 million in reimbursable authority for 152 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 (\$s thousands)						
	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	299	320	301	314	13	4.3%
Field	531	546	536	559	23	4.3%
Total FTE	830	866	837	873	36	4.3%
Direct obligations						
Personnel compensation	81,547	85,696	86,277	93,751	7,474	8.7%
Personnel benefits	29,029	30,380	31,471	34,311	2,839	9.0%
Travel	99	1,774	595	607	12	2.0%
Transportation of things	15	182	15	16	-	2.0%
Rents, communications and utilities	1,449	2,330	2,092	2,350	258	12.3%
Printing	312	15	12	13	-	2.0%
Other services	5,058	3,846	4,818	6,067	1,248	25.9%
Supplies and materials	55	243	101	103	2	2.0%
Equipment	2	1,023	113	115	2	2.0%
Grants, judgements, interest and insurance	19	20	15	16	-	2.0%
Subtotal, direct obligations	117,586	125,510	125,510	137,347	11,837	9.4%
Reimbursable obligations						
Personnel compensation	15,719	17,436	17,656	18,518	862	4.9%
Personnel benefits	5,712	5,486	5,541	5,796	255	4.6%
Travel	12	437	463	473	10	2.2%
Transportation of things		3	3	3	-	2.5%
Rents, communications and utilities		1	1	1	-	2.5%
Other services	746	870	885	906	21	2.4%
Supplies and materials	23	68	68	71	3	4.4%
Equipment		17	17	16	-1	-5.6%
Subtotal, reimbursable obligations	22,212	24,318	24,634	25,784	1,150	4.7%
Total obligations	139,798	149,828	150,144	163,131	12,987	8.6%

OGC is requesting an additional \$12.9 million above the 2022 Estimate to support a total of 873 FTE, including 152 supported through reimbursements. At the 2023 funding level, OGC will continue to manage and implement programs efficiently and deliver critical services effectively. A description of the increases in the OGC request are below:

Increases:

Initiatives/Programmatic Changes

Manage Surge of Claims Appeals: \$3.2 million; OGC anticipates a surge in appeals to the CAVC resulting from increased output by BVA, as well as an anticipated increase in complex class action litigation. Additional staffing is required to mitigate risk of remands and adverse precedents that may unduly burden the adjudication process and to provide more timely outcomes for Veterans.

Operational Support for VHA: \$316,000; OGC, collaborating with VHA, has developed a preventive law plan that would place an attorney in Veterans Integrated Service Networks (VISN) offices to support the Network Director. Attorneys working closely with VISN Directors and their senior leader teams will identify litigation risks, engage in early legal review of laws, regulations, and policies, and serve as key business partners. Funding will support a pilot program with two VISNs that could be expanded in future years.

Employment Law Litigation: \$948,000; Employment litigation demands continue in multiple administrative forums and federal courts. VA demand for OGC legal services continues to increase and surpass staffing levels. Additional staffing is required to support the investigation of alleged misconduct, advise on sustainable action to discipline or remove employees, and provide litigation assistance in those cases where VA is represented by DOJ.

Guardianship Initiative: \$316,000; OGC anticipates adoption of proposed legislation allowing VA to incur costs associated with pursuing guardianship for qualified veteran patients. This will allow VA to pay for court costs and other expenses related to pursuit of a guardian for Veterans healthy enough for discharge from inpatient care but who lack decision making capacity and are unable to consent to placement in community sites. Additional staff are required to implement this complex initiative.

Records Management Compliance: \$158,000; Additional staff are needed to implement records management and privacy compliance activities following an internal VA assessment.

Office Space: \$1.4 million; Existing space is inadequate, or being reclaimed for clinical space, or is only available in exchange for reimbursement. In the last two fiscal years, OGC has increased staffing by 17%. OGC has successfully transitioned off maximum telework status and office space is required for providing in-person legal services to clients, on the job training for new staff and receipt, processing, storage and mailing of paper records.

Summary of Workload Indicators (Number of Cases)

Product Lines:	FY 21 (Actuals)		FY 22 (Projected)		FY 23 (Projected)	
	Pending FY21	Open FY21	Pending FY22	Open FY22	Pending FY23	Open FY23
Employment Law	7,887	23,624	8,676	25,986	9,543	28,585
Court of Appeals (Appeal of BVA Decisions)	11,717	15,879	12,889	17,467	14,178	19,214
Contract Law (includes DCNPG, RPLG, & PRLG)	8,504	6,813	9,354	7,494	10,290	8,244
Tort Claim Adjudication	3,329	2,217	3,662	2,439	4,028	2,683
Information Law	2,156	3,790	2,372	4,169	2,609	4,586
Health Law	1,069	1,223	1,176	1,345	1,293	1,480
Benefits Law	3,324	3,323	3,656	3,655	4,022	4,021
Ethics	628	7,786	691	8,565	760	9,421
Revenue	21,660	14,829	23,826	16,312	26,209	17,943
Loan Guaranty	440	8,835	484	9,719	532	10,690
Column Totals	60,714	88,319	66,785	97,151	73,464	106,866
Overall Totals	FY21 Total: 149,033		FY22 Total: 163,936		FY23 Total: 180,330	
* Data provided by OGC MPA Informatics.						
** Data pulled 2/15/2022						

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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
(\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	65,332	73,726	73,726	78,563	4,837	6.6%
Reimbursable obligations	1,038	728	820	900	80	9.8%
Total obligations	66,370	74,454	74,546	79,463	4,917	6.6%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	3,064	-	-	-	-	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	3,064	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	64,407	73,726	73,726	78,564	4,838	6.6%
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	64,407	73,726	73,726	78,564	4,838	6.6%
Offsetting collections	1,038	728	820	900	80	9.8%
Subtotal, budget authority	65,445	74,454	74,546	79,464	4,918	6.6%
Total budgetary resources	68,509	74,454	74,546	79,464	4,918	6.6%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	2,140	-	-	-	-	-

Office of Management
Cares Act Resources
(\$s in thousands)

Cares Act Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate		
					\$	%	
Obligations							
Direct obligations	2,910	-	-	-	-	-	
Total obligations	2,910	-	-	-	-	-	
Budgetary resources							
Unobligated balance:							
Unobligated balance brought forward, Oct 1	1,965	-	-	-	-	-	
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-	
Subtotal, unobligated balance	1,965	-	-	-	-	-	
Budget authority:							
Appropriations, discretionary							
Appropriation	945	-	-	-	-	-	
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-	
Subtotal, appropriations	2,910	-	-	-	-	-	
Subtotal, budget authority	2,910	-	-	-	-	-	
Total budgetary resources	2,910	-	-	-	-	-	
Unobligated balance expiring	-	-	-	-	-	-	
Unexpired unobligated balance	-	-	-	-	-	-	

1/ \$945,000 was a reallocation of funds between OM and HRA/OSP.

Office of Management
Summary of Budget Request
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Office of Finance	14,794	15,165	15,165	16,479	1,314	8.7%
Office of Business Oversight	10,170	11,098	11,098	12,091	993	8.9%
Office of Financial Management and Business Transformation	15,368	19,590	19,590	20,328	738	3.8%
Office of Budget	7,941	8,924	8,924	9,297	373	4.2%
Office of Asset Enterprise Management	8,895	9,247	9,247	10,364	1,117	12.1%
Office of the Assistant Secretary	6,853	8,331	8,331	8,575	244	2.9%
Office of Revolving Fund - Reimbursement Team	1,311	1,371	1,371	1,430	59	4.3%
Subtotal, direct	65,332	73,726	73,726	78,564	4,838	6.6%
Reimbursable						
Office of Budget	110	100	100	180	80	80.0%
Office of Asset Enterprise Management	928	628	720	720	-	0.0%
Subtotal, reimbursable	1,038	728	820	900	80	9.8%
Total	66,370	74,454	74,546	79,464	4,918	6.6%

**Office of Management
Summary of FTE Request**

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate		
					FTE	%	
Direct							
Office of Finance	60	71	71	71	-	0.0%	
Office of Business Oversight	55	64	64	64	-	0.0%	
Office of Financial Management and Business Transformation	37	72	72	70	-2	-2.8%	
Office of Budget	38	42	42	42	-	0.0%	
Office of Asset Enterprise Management	45	48	48	53	5	10.4%	
Office of the Assistant Secretary	9	12	12	12	-	0.0%	
Office of Revolving Fund - Reimbursement Team	5	7	7	7	-	0.0%	
Subtotal, direct	249	316	316	319	3	0.9%	
Reimbursable							
Office of Finance	-	-	-	-	-	-	
Office of Business Oversight	-	-	-	-	-	-	
Office of Financial Management and Business Transformation	-	-	-	-	-	-	
Office of Budget	-	-	-	-	-	-	
Office of Asset Enterprise Management	5	4	5	5	-	0.0%	
Office of the Assistant Secretary	-	-	-	-	-	-	
Office of Revolving Fund - Reimbursement Team	-	-	-	-	-	-	
Subtotal, reimbursable	5	4	5	5	-	0.0%	
Total	254	320	321	324	3	0.9%	

Note: 2021 FTE includes carryover

- In 2023, Office of Management (OM) is requesting \$78.6 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 \$720,000 from estimated Enhanced-Use Lease (EUL) receipts and \$180,000 for the Office of Budget for the Budget Line of Business (BLoB) support. Details on these receipts can be found in the Budget Highlights section of this chapter.
- To reduce the number of Staff Office reimbursement agreements from 76 to 10, starting in 2023, OM plans to consolidate and pay \$3.5 million for General Administration Staff

Offices' share of Staff Office services. The services are VEO's White House Hotline, OGC's Financial Disclosure Management, HRA/OSP's Office of Resolution Management, Diversity, and Inclusion, Alternative Dispute Resolution, Transit Benefits (in DC area), Personnel Identity Verification and Access and Identity Management, and OPIA's GovDelivery and News Media Clips.

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 61 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 (FMS). OF also supports the implementation of the Integrated Financial and Acquisition Management System (iFAMS) by validating standard general ledgers and transactions and managing the consolidation of data and preparation of reports 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. OF also conducts Financial Management Training Initiative events to the Administrations and Staff Offices with a focus on improving financial management efficiencies related to the financial management statement audit, financial management systems and controls.

(Refer to the Franchise Fund Enterprise Centers chapter for budget information on DMC and other Franchise Fund operations.)

Recent Accomplishments:

- Sustained VA's 23rd clean audit opinion and successfully published VA's Agency Financial Report by the government-wide deadline.
- Received the Association of Government Accountants' Certificate of Excellence in Accountability Reporting award.
- Published a complete set of 19 financial policies concerning the entire topic of debt (vendor debt, employee debt, benefit debt, etc.) and debt waivers and compromise. These policies were last updated over 12 years prior and represented a large effort to redesign, rewrite, and collaborate debt policy with other VA organizations to ensure the chapters were accurate and that there were no obstacles to implementation or detrimental impacts.
- Collected \$1.4 billion in debts.

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 and payment integrity portions 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 survey 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 via a structured approach to the design and implementation of corrective actions that improve internal controls:

- In 2021, VA reported its largest net reduction to date of \$6.3 billion in improper and unknown payments. Since 2018, VA has reduced improper payments by \$9.6 billion total, a 65% reduction.
- Removed 5 programs from requirements to report improper payments through effective corrective actions that reduced improper payments below required thresholds.
- 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 Office of Management Plus, Enterprise Acquisition, Veterans Benefits Administration (VBA) Loan Guaranty (LGY), and Consolidated Wave Stack (CWS) 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 is providing 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 is migrating to CGI's Momentum solution, configured for VA as the Integrated Financial and Acquisition Management System (iFAMS), leveraging VA's Enterprise Cloud offering. This modern, cloud-based system provides automated internal controls and edit checks to improve data quality, reduce error-prone manual data entry, and eliminate manual reconciliations between legacy systems. Through iFAMS, the program is increasing the transparency, accuracy, timeliness, and reliability of financial information across VA, resulting in improved fiscal accountability to American taxpayers and increased opportunity to improve 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 FMBTS coordinates closely with FSC's Executive Director. This partnership integrates operations between the two organizations to ensure a smooth transition from delivery to operations to best serve the needs of VA Administrations and Staff Offices.

Recent Accomplishments:

Financial Management Business Transformation Service:

- Achieved all deployment readiness criteria and went live with iFAMS for VBA and kicked off the VBA LGY implementation wave .
- Kicked off the Office of Management Plus (OM+) implementation wave, which includes all Staff Offices supported by OM.
- Re-baselined the Integrated Project Schedule (IPS) to incorporate Momentum version 7.9 to enable VA enterprise acquisitions functionality to go-live April 2022.
- Kicked off the Veterans Health Administration (VHA) Configuration Validation pre-wave activities, which will ensure iFAMS is properly configured to meet the unique needs of VHA.
- Achieved all deployment readiness criteria and went live with iFAMS for VBA GOE Phase 2 on May 10, 2021.
- Completed and deployed iFAMS EZ Purchase Card and Integrated Purchase Request (IPR) functionality, simplifying the transaction entry for the end users.
- Kicked off the Consolidated Wave Stack (CWS), representing the first of combined finance and acquisition implementations.

- Processed 367,248 payment transactions and remitted \$2.5 billion in payments to the Department of Treasury, as of January 28, 2022.
- Achieved a 94% overall customer satisfaction rate for the iFAMS Customer Service Help Desk, as of January 28, 2022.
- Maintained 99.4% iFAMS availability during core working hours from the National Cemetery Administration (NCA) go-live in November 2020 through January 28, 2022.
- Onboarded approximately 2,580 unique users into iFAMS.

Financial Services Center:

- Successfully implemented G-Invoicing platform to interface with the Treasury Department.
- Major Payroll Centralization milestone reached: provided “local payroll” services to over 100,000 employees — processing \$9.8 billion in salary and benefits annually.
- Supported over 300 payroll and HR offices across the agency answering over 200,000 self-service portal tickets and 72,000 phone calls; ensured over \$1.8 billion in bi-weekly salary and benefits processed timely and accurately while exceeding all service level agreement standards.
- Successfully delivered 14 Financial Management Leadership Training (FMLT) classes with the NASBA CPE accreditation sponsorship.
- Completed 522 iFAMS configuration change requests improving iFAMS customer experience.
- Processed 7.1 million medical claims for payment.
- Customer support teams provided timely responses to 124,000 self-service portal tickets and answered over 46,000 phone calls; achieved first-call/first-ticket resolution rate of 96%.

Planned 2022 Accomplishments:

- Finish pre-wave activities on Accounting Classification Structure (ACS), data cleanse, and enterprise modernization coordination for VHA.
- Complete upgrade to Momentum 7.9.
- Go live with the Enterprise Acquisition implementation wave in support of NCA.

Planned 2023 Accomplishments:

- Begin upgrade to Momentum 8.0.
- Begin pre-initiation activities for the VHA implementation wave at VHA Central Office and Veterans Integrated Services Networks (VISNs) 17, 16, and 9.

Summary of FMBT Budget Request

Office of Management FMBT Summary of Budget Request (\$s millions)			
FMBT Summary of Budget Request	2022 President's Budget	2023 Request	2023-2022 Increase (+) Decrease (-)
Direct			
General Administration (Office of Management - FMBT)	19.6	20.3	0.7
Subtotal, Direct	19.6	20.3	0.7
Information and Technology:			
Information and Technology Sustainment - Enhancement	-	103.1	103.1
Information and Technology Sustainment - Steady State	-	19.8	19.8
Recurring Expenses Transformational Fund	133.9	-	-133.9
Subtotal, Information and Technology	133.9	122.9	-11.0
Other Fund			
Franchise Fund	127.0	147.5	20.5
Supply Fund	76.0	58.9	-17.1
Subtotal, Other Fund	203.0	206.4	3.4
Total	356.5	349.6	-6.9

1/ Requirements not included in Office of Information & Technology's 2022 request. Funding will likely come from currently unassigned funds in the Recurring Expenses Transformational Fund.

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 sustainment enhancement and steady-state costs (system integration, interfaces, hosting, configuration, licenses, etc.). The shift from the Recurring Expenses Transformational Fund (RETF) to IT sustainment is due to a decision by VA leadership to use the RETF to fund infrastructure projects rather than IT software projects.
- Franchise Fund dollars are used for non-IT program costs which are billed to VA Administrations and Staff Offices. The increase in the Franchise Fund request is due to changes to FMBT contracts related to the implementation roadmap and the associated

change in billing to customers.

- Supply Fund resources are used for implementation of acquisitions functionality. The decrease in the Supply Fund request is due to changes to the implementation roadmap and the scope of each implementation wave.

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:

- 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, and the DATA Act reporting efforts by providing data structures and a Common Budget Data Upload Sheet to serve all data mapping requirements.
- Reviewed and provided cost assessment guidance for more than one hundred legislative proposals during the 2021 and 2022 budget cycles.

Office of Revolving Funds – Reimbursement Office:

Beginning of fiscal year 2021, the Office of Revolving Funds/Reimbursement Office represents GenAd appropriation as the seller of services to customers VA wide. The team provides oversight, guidance, and support to improve the management, accountability, and transparency of reimbursements collected into the GenAd appropriation.

This Department-level Reimbursement Office continues to work directly with the buyers and sellers of services through Intra-Agency Agreements. The Reimbursement Office oversees and manages centralized functions for Staff Office agreements as the provider (seller) of services. The Reimbursement Office 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. With collaboration with Office of Financial Policy, the team supports internal controls and Chief Financial Officer reviews of seller agreements above \$25 million. The team works with FMBT and VA's FSC to ensure smooth implementation of two new financial reporting systems by identifying potential conversion risks, training, and account structure. In addition, the team instructed a timeline to ensure issuance of agreements for accurate administrative processing between buyer/seller activities and timely return of unused funds to the

customers. The Reimbursement Office continues to aid, provide guidance, and answer questions about navigating the Government Invoicing (G-Invoicing) system. The team has held several informational and navigation sessions with Staff Offices to assist the sellers' navigation through their various phases of the reimbursement agreement process within G-Invoicing.

Recent Accomplishments:

- Motivated buy/sell trading partners to adopt new online systems for processing of reimbursable agreements called Government Invoicing (G-Invoicing). Developed user access guide for GenAd accounts with definition of user access roles, promoter of G-Invoicing training, created user access procedural instructions, and participated in numerous working group sessions to ensure system implementation is successful. Serving as User Administrator to 118 users within the GenAd account.
- Discovered risk in the ability to collect on earned services with new iFAMS. Team worked with VA Financial Services Center to institute an internal billing document to collect between new and current financial systems. In addition, team served as a consultant with FMBT to review and approve accounting conversion mapping of GenAd accounts from antiquated financial system to iFAMS.
- Assisted with revamping buy/sell transaction financial policy to incorporate strict administrative control routing cover sheets desk side guide to involve all parties to justify services or costs of high dollar amount agreements.
- .

Enforced GenAd Reimbursable Agreement Timeline Memo to secure signature for 98% of \$392.6 million dollars' worth of agreement's general terms and conditions.

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 CFM.

As part of its asset management activities, OAEM serves as the policy and program office for VA's Energy, Environment, and Fleet Program (EEF), 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 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 leads VA's efforts in support of the Administration's goal of transitioning to a zero-emission Federal fleet. Additionally, OAEM provides oversight on meeting VA's FY2022 goals, approved by VA's Deputy Secretary, for acquiring zero-emission vehicles and installing electric vehicle supply equipment.
- OAEM led VA's efforts to secure legislation that the Department sought for several years to improve collaboration with the Department of Defense (DoD) for the benefit of Veterans, Service Members and Taxpayers. Section 714 of the 2022 National Defense Authorization Act (NDAA) amended Title 38 and Title 10 to allow the transfer and acceptance of funds between the Departments for the planning, design and construction of shared medical facilities. The legislation complements the efforts of the Asset and Infrastructure Review (AIR) Commission market assessments as it expands the tools for greater VA and DoD capital investment and service collaboration.
- The 2023 SCIP process provides an annual Department-wide long-range capital plan that identifies specific capital investments over a 10-year planning horizon for a vast portfolio that includes facilities in virtually every state, community, and Congressional district. 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 2023 annual SCIP process resulted in a defensible, data driven capital plan consisting of approximately 5,600 capital projects that address critical issues such as facility condition deficiencies, i.e., systems in poor or failing condition, with an estimated correction cost of \$22.3 billion.
- In January 2021, OAEM successfully developed and delivered VA's response to OMB Memorandum M-20-03, "Implementation of Agency-wide Real Property Capital Planning". This memorandum was issued in late 2019 and provides guidance for all agencies to create a formal capital planning process linked to the budget process. M-20-03 is focused on ensuring agencies define metrics and gaps that drive prioritization of capital investments to support strategic plans that are aligned to the budget process. Much of this requirement is already addressed by VA's SCIP process. The Federal Real Property Council (FRPC) singled out VA's requirements based SCIP capital planning process as "outstanding" and issued VA a waiver exempting VA from most of the annual reporting requirements due to the strength of our capital management processes.
- VA's EUL program has been instrumental in providing housing to homeless and at-risk of homeless Veterans. During 2021, one EUL housing project (Milwaukee II, WI) and an additional phase of an existing project (Dayton V, OH) became operational, providing a total of 165 units. The West Los Angeles Building 207 EUL housing project began construction, providing 60 additional units under construction.

OAEM is coordinating VA's efforts developing and prioritizing actionable infrastructure requirements supporting The Build Back Better (BBB) Act reconciliation legislation that passed the House on November 19, 2021. The BBB bill includes \$5 billion funding for VA, consisting of \$2.3 billion for VA infrastructure improvements and \$2.7 billion for legislative fixes, including major medical leasing, enhanced-use leasing, increasing residency positions, and record scanning. VA's \$2.3 billion BBB infrastructure improvement investments will address immediate needs at VA facilities.

Budget Highlights

OM is requesting an additional \$4.9 million above the 2022 Estimate to support a total of 324 FTE, including 5 supported through reimbursements. At the 2023 funding level, OM will continue to manage and implement programs efficiently and deliver critical services effectively.

The 2023 request of \$78.6 million in total budgetary resources will provide:

- The Office of the Assistant Secretary with \$8.6 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 \$16.5 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 \$12.1 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 FMBT Service with \$20.3 million to support 70 FTE to provide leadership and dedicated subject matter experts 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 budget 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 \$9.3 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–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 \$10.4 million to support 53 FTE, (plus reimbursable authority for five additional FTE through expected EUL proceeds for a total of 58 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.

The 2023 request includes the following reimbursable authority:

- \$720,000 in receipts from EULs to support five corporate-level capital asset management FTE in OAEM.
- \$180,000 for the Office of Budget 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.

Office of Management Employment and Obligation Classification (FTE, \$s thousands)						
	2021	2022	2022	2023	2023 Request vs 2022 Estimate	
	Actual	Request	Estimate	Request	FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	168	185	186	191	5	2.69%
Field	86	135	135	133	-2	-1.48%
Total FTE	254	320	321	324	3	0.93%
Direct obligations						
Personnel compensation	34,313	42,328	42,328	49,457	7,130	16.8%
Personnel benefits	13,590	15,652	15,652	17,140	1,488	9.5%
Travel	-1	771	741	392	-349	-47.1%
Rents, communications and utilities		21	21	21	-	2.2%
Printing	11	12	12	11	-1	-7.8%
Other services	17,319	14,850	14,880	11,456	-3,425	-23.0%
Supplies and materials	58	67	67	53	-14	-21.5%
Equipment	0	26	26	34	8	30.76%
Grants, judgements, interest and insurance	43					-
Subtotal, direct obligations	65,332	73,726	73,726	78,564	4,837	6.6%
Reimbursable obligations						
Personnel compensation	682	490	565	565	-	0.0%
Personnel benefits	246	138	155	155	-	0.0%
Other services	60	100	100	180	80	80.0%
Grants, judgements, interest and insurance	50					-
Subtotal, reimbursable obligations	1,038	728	820	900	80	9.8%
Total obligations	66,370	74,454	74,546	79,464	4,917	6.6%

Note: 2021 FTE include carryover

Increases: VA requests a total of \$4.8 million in additional funding direct funding for OM in 2023 in comparison to 2022. Of this, \$2.9 million is for the pay raise and increased non-personnel costs. An additional \$1.9 million will provide for enhanced and expanded services as described below.

- Office of Asset Enterprise Management will receive \$705,000 and 5 FTE to expand clean energy, improve efficiency, and otherwise prepare VA for responding to the climate change crisis; and develop housing for homeless Veterans at GLAHS-West Los Angeles, and support transition of the Strategic Capital Investment Plan system.

- Office of Finance will receive \$700,000 in Other Services to support additional audit tasks relating to the VA's new financial management system (iFAMs).
- Office of Business Oversight will receive \$500,000 in Other Services to comply with annual requirements to report improper payments information and provide oversight of VA's internal control program.

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*Office of Human Resources &
Administration / Operations, Security &
Preparedness*

Mission Statement

Human Resources & Administration/Operations, Security & Preparedness (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 & Administration/ Operations, Security &
Preparedness
Budgetary Resources
(\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	96,498	103,646	103,646	111,394	7,748	7.5%
Reimbursable obligations	157,256	136,956	134,285	144,695	10,410	7.8%
Total obligations	253,754	240,602	237,931	256,089	18,158	7.6%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	960	-	-	-	-	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	960	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	97,132	103,646	103,646	111,394	7,748	7.5%
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	97,132	103,646	103,646	111,394	7,748	7.5%
Offsetting collections	157,256	136,956	134,285	144,695	10,410	7.8%
Subtotal, budget authority	254,388	240,602	237,931	256,089	18,158	7.6%
Total budgetary resources	254,388	240,602	237,931	256,089	18,158	7.6%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	1,594	-	-	-	-	-

**Office of Public & Human Resources & Administration/ Operations, Security &
Preparedness**
Summary of Budget Request
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Actual	
					\$	%
Direct						
Office of the Assistant Secretary (HRA)	5,684	5,301	5,301	6,071	770	14.5%
Office of Management, Planning and Analysis	9,047	11,576	13,973	14,442	469	3.4%
Office of Administration	32,401	34,194	34,194	35,319	1,125	3.3%
Office of Labor-Management Relations	3,584	3,965	3,965	4,316	351	8.8%
Corporate Senior Executive Management	6,693	7,100	7,100	8,055	955	13.5%
Office of the Chief Security Officer	689	779	779	814	35	4.5%
Office of Identity, Credential, and Access Management	2,949	3,335	3,335	3,486	151	4.5%
Office of Emergency Management and Resilience	9,302	9,344	9,344	11,074	1,730	18.5%
Office of Security and Law Enforcement	10,884	11,320	11,320	11,768	448	4.0%
Office of the Chief Human Capital Officer	12,968	14,035	14,035	15,736	1,701	12.1%
Office of Resource Management	2,164	2,396	-	-	-	-
Office of the Chief of Police	133	300	300	313	13	4.3%
Subtotal, direct	96,498	103,646	103,646	111,394	7,748	7.5%
Reimbursable						
Office of the Assistant Secretary (HRA)	543	9,419	6,637	4,576	-2,061	-31.1%
Office of Management, Planning and Analysis	5,228	4,751	6,108	7,074	966	15.8%
Office of Administration	6,014	6,918	8,078	8,509	431	5.3%
Office of Resolution Management	59,473	77,758	78,417	86,481	8,064	10.3%
Office of Diversity and Inclusion	4,794	-	-	-	-	-
Office of Identity, Credential, and Access Management	30,913	35,858	34,033	36,660	2,627	7.7%
Office of Emergency Management and Resilience	-	2,252	1,012	1,395	383	37.8%
Office of the Chief Human Capital Officer	50,291	-	-	-	-	-
Subtotal, reimbursable	157,256	136,956	134,285	144,695	10,410	7.8%
Total	253,754	240,602	237,931	256,089	18,158	7.6%

**Office of Human Resources & Administration/ Operations, Security &
Preparedness
Summary of FTE Request**

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Direct						
Office of the Assistant Secretary (HRA)	15	16	16	19	3	18.8%
Office of Management, Planning and Analysis	28	38	38	38	0	0.0%
Office of Administration	50	51	51	53	2	3.9%
Office of Labor-Management Relations	19	20	20	21	1	5.0%
Corporate Senior Executive Management	27	30	30	35	5	16.7%
Office of the Chief Security Officer	3	3	3	3	-	0.0%
Office of Identity, Credential, and Access Management	19	20	20	20	-	0.0%
Office of Emergency Management and Resilience	43	44	44	48	4	9.1%
Office of Security and Law Enforcement	40	44	44	44	-	0.0%
Office of the Chief Human Capital Officer	72	79	79	82	3	3.8%
Office of Resource Management	6	-	-	-	-	-
Office of the Chief of Police	1	1	1	1	-	0.0%
Subtotal, direct	323	346	346	364	18	5.2%
Reimbursable						
Office of the Assistant Secretary (HRA)	-	24	24	25	1	4.2%
Office of Management, Planning and Analysis	9	8	10	10	-	0.0%
Office of Administration	13	18	18	18	-	0.0%
Office of Resolution Management	297	406	406	406	-	0.0%
Office of Diversity and Inclusion	19	-	-	-	-	-
Office of Identity, Credential, and Access Management	11	19	14	19	5	35.7%
Office of Emergency Management and Resilience	-	8	6	8	2	33.3%
Office of the Chief Human Capital Officer	34	-	-	-	-	-
Subtotal, reimbursable	706	483	478	486	8	1.7%
Total	698	829	824	850	26	3.2%

Note: 2021 FTE displayed will differ from the Budget Appendix due to a data entry error.

Summary of Budget Changes

For 2023, HRA/OSP requests \$111.4 million in direct appropriations to support 364 FTE and \$144.7 million in reimbursements and 486 FTE to support the HRA/OSP mission. 2023 direct appropriated funding increases by \$7.7 million in comparison to 2022, of which approximately \$3.7 million is devoted to current service adjustments for the 2023 pay raise and increased non personnel costs.

HRA/OSP remains committed to meeting the Department's human capital management requirements and providing for a safe workplace environment for our employees and Veterans. To that end, HRA/OSP requests enhancements in direct funding totaling \$4.0 million for the following:

- For the Office of the Chief Human Capital Officer (OCHCO), an additional \$570,000 and 3 FTE are requested to enhance recruitment and retention policy capacity to address the future of work requirements. As VA continues to grow the size of its workforce, the Secretary's human capital priorities focus on strategic recruitment, hiring, onboarding practices, retention of mission critical occupations and time to hire targets to achieve staffing levels required to deliver timely and quality care. These additional resources are for timely development and publication of VA qualification standards; ongoing updates to policy-based changes to Title 5 statute and Title 38 regulations; addressing declining trends in VA's hiring and retention of Veterans along with implementation of initiatives to recruit military spouses; and enhancing worklife and benefits capabilities to address continuing pandemic-related issues and future of work emerging requirements. Additionally, an enhancement of \$500,000 thousand is requested to initiate support of the requirements in the Competitive Services Act (*Specific Hiring Actions and Shared Certificates*) and establish a Talent Teams capability within OCHCO.
- As the Department looks to build strong and productive relations with VA's national labor unions, the Office of Labor Management Relations (LMR) is requesting an additional \$170,000 and 1 FTE to address a substantial increase in workload. These resources will also assist in the development and delivery of labor management training and pre-decisional/labor forum training; and re-establish the LMR intervention program.
- The Department's Manpower Management Service (MMS) in the Office of the Assistant Secretary is requesting an additional \$601,000 and 3 FTE to meet its evolving program requirements of providing manpower management policy for the entire Department as well as being the manpower management servicing office for VA's Central Office. These additional resources will assist in achieving staffing transparency, improve accuracy of position data, and timeliness of staffing and vacancy reporting to Congress and other stakeholders. Enhancements to MMS will also enable evidence-based decision making and better define requirements needed to support our Veterans.
- VA's Corporate Senior Executive Management Office (CSEMO) provides lifecycle HR support services for executives and is requesting an additional \$543,000 and 4 FTE to meet growing mission requirements associated in part with additional SES positions established in 2020. The additional staff support is required to mitigate persistent gaps in recruitment of VA Executives most notably in the non-Medical Center Director positions;

to strengthen the executive development programs; and modernize executive services data capabilities. Ultimately, vacant executive positions impact VA's ability to implement objectives, strategies and Secretary-level initiatives and is foundational to executing VA's mission.

- In 2023, the Office of Administration (OA) requests an additional \$512,000 and 3 FTE to support the overall management of safety and health programs for 10 VA Central Office (VACO) facilities and over 6,000 VA employees as well as visitors to VACO. The staff enhancements will ensure the campus is compliant with all FEMA, OSHA, GSA, and VA standards relating to safety. These additional resources will also mitigate gaps in facilities management staff that addresses over 600 monthly service work orders.
- The Office of Emergency Management and Resilience requests an additional \$1.1 million and 4 FTE. These additional resources will establish two alternate operating locations (AOL) in Florida and Colorado to carry on essential functions during a large scale, regional, or catastrophic event; resource enterprise GIS software extensions and licenses to enhance data-driven reporting and analytical capabilities needed to maintain a risk-centric common operational picture; provide for portable continuity of operations equipment; and to redesign upgrades for legacy systems and design for a state-of-the-art, 24/7 lay-out for Watch Officers to maintain situational awareness. These enhancements are critical for VA to fulfill its role in implementing the Fourth Mission in the case of an emergency and directly supports Presidential Policy Directive 40 and Federal Continuity Directive 1.

HRA/OSP also provides enterprise-wide services for VA customers and is requesting to collect additional resources for the following:

- The Office of Resolution Management, Diversity, and Inclusion's (ORMDI) collections will increase to \$85.8 million to continue VA's diversity program and to meet customer service requirements that prevent and resolve discrimination at the early stages; and provide a robust harassment prevention program and counseling services while advancing equity for all who have been historically underserved. These resources will assist 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.
- Included in ORMDI's request is \$5.6 million in 2023 funds to comply with Section 504 of the Rehabilitation Act of 1973, as codified at 29 U.S.C. § 794. These additional funds will allow VA to provide for Veteran facing programs with compliant alternate formats for visually impaired claimants, beneficiaries, and appellants. Specifically, these will be VA's Section 504 Compliant Braille, Large Print, Data and Audio Alternate Formats, inclusively in English and Spanish.
- In the Office of Human Resources and Administration, the Alternative Dispute Resolution (ADR) program will collect an additional \$750,000 to \$4.5 million to support the ADR Tracker system, the Secretary's ADR Award program, and support the Conflict Management Training program. Having a robust Department-wide ADR program will

provide employees with an avenue to address workplace conflicts outside of the formal complaint processes.

- Additionally, Office of Emergency Management and Resilience’s 2023 reimbursement request includes \$1.4 million for VA’s Defensive Counterintelligence (DCI) program to expand on defensive counter-intelligence activities that includes protection of intellectual property and insider threats.
- In the Office of Management, Planning and Analysis, reimbursements will increase for the Child Care Subsidy Program (CCSP) to \$6.8 million. This is due to a permanent total household income (THI) policy adjustment from \$89,999 to \$149,000 during the COVID-19 pandemic and the Secretary-level direction to revisit THI leading to an increase in subsidy payments that benefit qualifying VA employees.

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):

- Developed and widely disseminated VA-wide guidance through “Charting the Course: Maintaining Continuous Services to Veterans while Supporting a COVID-19 Safe Workplace” to VA workforce. This document provided a framework for VA to protect its workforce and safely maintain continuous services to Veterans in accordance with federal requirements.
- Through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) supplemental funds, obligated approximately \$3.2 million in 2020/2021 general administration resources on COVID-19 pandemic related efforts.
- Led development of plans, personnel policies and timelines coming off maximum telework environment. Office of Management and Budget (OMB) approved both plans.
- Implemented a system requirement in the TMS for all VA employees to complete COVID-19 Vaccination Information and Attestation of their vaccination status.
- Provided leadership guidance and oversight to realign HRA and OSP business units to centralize business functions, resources, and staff.
- Finalized business case analysis and design for VACO HR Services Center to standardize HR services and better meet the needs of all customers. The transition towards implementation begins in 2022 and will reduce inconsistencies in delivering HR services and improves procedures and turnaround times.

- Improved employee engagement from 2020 to 2021. HRA/OSP scored an 89 for Best Places to Work (BPTW) based on 2021 AES results (scored 79 in 2020), 19 points higher than VA average BPTW (70).
- Integrated human capital management efforts with executive-level representation from VA Central Office HRA/OSP, the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA) and the National Cemetery Administration (NCA), through weekly meetings with a focus on enterprise priorities, COVID-19 management; Shared Services; Customer Service/Employee Engagement; and Enterprise Employee Development.
- Made significant progress towards acculturating position management and organizational structure principles driving standardization and efficiencies throughout. These efforts utilize management tools, manpower manning documents and reports, organizational design, and defensible (workload and mission based) manpower requirement determination analysis processes. As VA's workforce management capabilities continue to expand, staffing data will better position VA to identify and overcome staffing gaps with more fidelity.
- Completed multiple notifications to national unions and HR offices regarding cancellation of actions related to revoked EOs, end of rent collection for union space, and restoration of information technology access/equipment; rolled back measures instituted from EO 13950, reinstating VA Diversity and Inclusion Training for VA workforce; and assembled an equity action team comprised of key offices to review existing policies, procedures, reports and data related to pain points experienced by employees and customers, among others.

(Refer to the Revolving Franchise Fund chapter for budget information on the Human Capital Services Center (HCSC) operations as well as the Center for Enterprise Human Resource Information Systems (CEHRIS))

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, to include:

- 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/OSP business support operations which include employee HR transactions, logistics, office space, equipment, travel, and management of VA's Child Care Subsidy program (CCSP).

- Acquisition and contract support; program/project management.

Recent Accomplishments (MPA):

- Developed VA's Human Capital Operating Plan (HCOP) for 2022-2023 aligned with the 2022-2028 VA Strategic Plan and HRA/OSP Assistant Secretary priorities.
- Completed implementation of HRA and OSP integration to centralize lines of business for contracts portfolio management; budgeting and organizational performance management; HR services; risk management and internal controls assessments.
- Coordinated the development of 2023 HRA/OSP legislative proposals.
- Led acquisition response during the COVID-19 national emergency by enabling 16 contracts in less than 90 days to include CDC compliant equipment.
- Continued to leverage 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.
- Expanded data visualization techniques and business intelligence capabilities for SharePoint services due to 30% increase in customer demand for 2021.
- Led the process of validating and defending request for additional HRA/OSP capabilities and prioritizing initiatives for the 2022 President's Budget request and development of the internal VA 2023 budget request.
- Updated and re-aligned HRA/OSP's 2022 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 proposed VA 2022-2028 Strategic Plan and Secretary's priorities.
- Established acquisition/procurement governance processes for all HRA/OSP offices.
- In coordination with VA's Acquisition office, ensured the timely award of 203 procurements worth \$155.0 million for HRA/OSP for 2021, to include 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 to include 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 2021, resulting in enhanced oversight of organizational acquisitions and alignment with Assistant Secretary priorities.
- Updated the HRA/OSP 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.

- Implemented system changes within the Child Care Record Management System (CCRMS) to enhance invoice submissions to create a first-come-first serve environment to improve timely release of subsidy benefits to program participants.
- Processed approximately \$2.7 million in CCSP benefits, totaling 12,065 subsidy benefit payments in 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 2,633 participants with daily growing numbers as schools and daycares are re-opening and a surge of VA employees are applying to the program.
- Supported HRA/OSP in hiring 80 new employees during in the on-going pandemic environment.

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 to include:

- 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 to include 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 to include 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 to include retirement counseling, and offboarding.

Recent Accomplishments (CSEMO):

Provided full management and resources support to senior executives, to include:

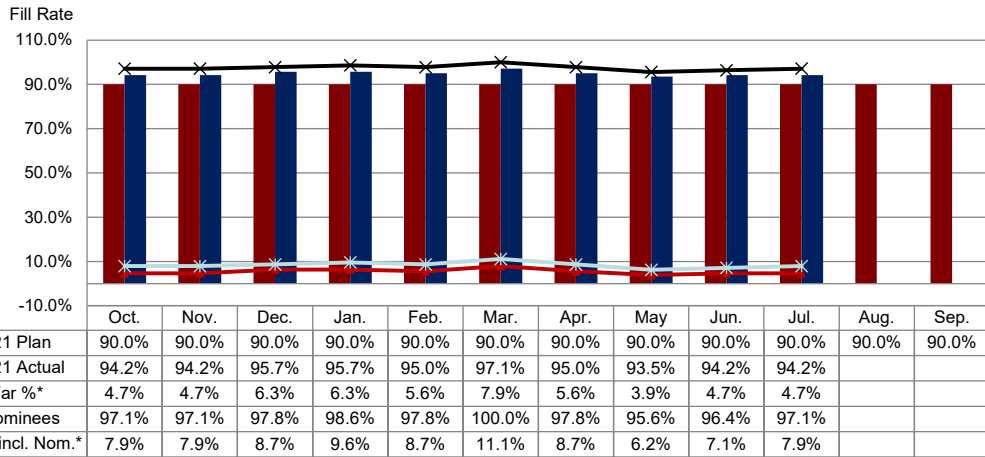
- In 2021, CSEMO refined processes and procedures which contributed to operating more efficiently virtually and effectively during the COVID-19 pandemic. Despite the challenges of not being physically in the office, critical services such as a timely Performance Review Board (PRB), onboarding of new senior executives and senior leadership courses (SLC) courses continued through a virtual setting. CSEMO demonstrated flexibility and agility while continuing to provide the best service to the Department's most senior leaders.
- As of August 25, 2021, conducted minimum qualifications review of 5,158 applications; issued over 100 vacancy announcements via USAJOBS, which included 7 national announcements 5 for Medical Center Director Positions and 2 for Deputy Medical Center Director positions in 37 locations; facilitated over 120 ERBs; and executed 142 hiring actions. The breakdown of the 2021 actions included 56 SES appointments, 8 Political Appointees, 8 VLJs, 2 SLs, and 41 Title 38 Appointments. CSEMO processed over 1,400 HR actions, which include incentive payments, reassignments, and separations.
- Exceeded the fill rate of the critical position of Medical Center Director (MCD) to over 90% by the end of 2021.

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 emphasis in FY 2020 for medical center hiring brought momentum into FY 2021. In line with the year so far, July continued strong: 94.2% filled (131/139); 97.1% including nominees (135/139).

Status	
Jul 2021 Actual Filled	94.2%
Incl. Nominees	97.1%
Variance Filled	Green
Incl. Nominees	Green



Data Through July 2021

OEI Variance Thresholds *	
Red / at risk	≤ -10%
Yellow / off track	< 0%
Green / on track	≥ 0%

* Var % = ((actual - plan) / plan) x 100

- 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 (3) Congressionally Mandated Reports: Reassignments in December 2020, Performance Awards in January 2021 and the second Reassignments report in June 2021.
- Executed over 98% of the allocated budget for 2021, with 80% of FTEs completing external training courses.
- Conducted virtual orientation briefings to over 90 new appointees/hires and 11 Administrative Law Judges.
- 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 2021, CSEMO

conducted five virtual SLC I classes for 122 executives and two virtual SLC II class) for 56 executives. Subsequent in-person SLC I and SLC II classes for 2021 were postponed due to VA halting all Non-Essential Travel due to COVID-19.

- Provided executive coaching to over 160 executives who collectively completed almost 778 hours of coaching. Separately, provided 74 executives ECQ Contract Support via CSEMO.
- Expanded outreach to senior executives through a Senior Executive Reading Group and implemented a monthly First Friday Chat series designed to discuss issues pertaining to newly appointed executives. Also developed a CSEMO monthly newsletter.
- 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. Executed over 97% of the allocated awards budget for 2021. Reconciled and prepared 2020 Performance-Based Awards and Performance-Based Pay Adjustments for 500+ senior executives.
- Delivered three web-based performance writing, and USA Performance training sessions to over 78 senior executive and HR administrative employees in collaboration with OPM USA Performance Management Team.
- Reviewed and updated SES processes and procedures in VA Handbook 5027 in collaboration with HR Liaisons from across VA. Six Parts were submitted for formal clearance and one Part for informal review. Conducted 14 Policy Reviews.
- Processed over 100 benefits forms and leave actions (e.g., FMLA, DVL, Restored Leave, Leave Donations, Advanced Leave Requests, etc.).
- Coordinated transition of 30+ Political Appointees separating due to the change in Administration. Provided Guidance via presentations to new Administration leaders.
- Coordinated and scheduled drug testing for over 80 tentatively selected Senior Executive applicants. Conducted over 300 records checks. Conducted over 328 advisory and counseling sessions on various matters related to ER, benefits, separations and leave.
- Closed 38 Employee Relations Cases to include 3 Settlement Agreements.
- Completed the OPM Annual Data Call Certification Requirement (Certified until June 9, 2022, for SES). Completed Critical Pay Report for OPM.
- Processed over 100+ Awards (VA Secretary Honor Awards and Special Contribution Awards). Coordinated a Presidential Rank Award Panel and provided nominations to OPM on Presidential Rank Awards.

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.

Recent Accomplishments (OCHCO):

- Leveraged temporary and permanent authorities from the Office of Personnel Management (OPM) in response to hiring needs for the Coronavirus Disease 2019 (COVID-19): Schedule A temporary appointment authority, dual compensation waivers, direct hire authority, outreach to preference-eligible Veterans, military spouses and returning Peace Corps volunteers, waiver of incentive limits, primarily retention incentives, increased use of special contribution awards, waiver of pay limits under the CARES Act.
- Obtained Direct Hire Authority (DHA) covering 13 occupations thru December 31, 2023, in support of the VA Choice and Quality Employment Act of 2017 and six COVID-19-related DHAs (covering 36 occupations) through December 2021 based on continued critical hiring needs.
- Coordinated with OPM and received approval to extend the following authorities: 1) Extension of dual compensation (salary offset) waivers for reemployed annuitants hired in support of the COVID-19 national emergency through December 31, 2021; and 2) Extension of authority to waive the 25% limit on recruitment, relocation, and individual retention incentives, and the 10% limit on group retention incentives for certain occupations responding to workload surges due to COVID-19 through April 17, 2022.
- In accordance with the CARES Act, submitted 11 reports to on waivers approved by the VA to the House and Senate Committees on Veterans' Affairs. The reports included data on approved waivers for the biweekly limitation on premium pay, the annual limitation on premium pay and the aggregate limitation on pay.
- Contributed to the National Security Memorandum, Report to the President on Hiring Authorities through VAs participation on the National Security Workforce Working Group.
- Issued three continuous and timely notices of Department of Homeland Security/Immigration and Customs Enforcement Remote I-9 Extension to allow for continued remote verification of employment eligibility and seamless hiring during maximum telework periods as a result of COVID-19 restrictions.
- Increased use of recruitment tools such as OPM's Agency Talent Portal and LinkedIn recruiter licenses and job postings. Pursuant to Executive Order 13932, explored use of assessments, such as USAHire to improve the assessment of candidate competencies and quality of candidates on certificates of eligibles referred to hiring managers.
- Reduced time to hire and loss to competition by using standard position descriptions, non-competitive authorities, reducing onboarding time and offering more workplace flexibilities. From 2018-2021, time to hire steadily improved each year from an average of 99 days to 84 days respectively.
- Developed an electronic telework agreement form, which can be used in lieu of the traditional paper telework agreement. The benefit of this is that it is linked to VA's HR processing system and therefore the data is automatically updated, which ensures VA's telework numbers are accurately accounted for. Additionally, VA also developed several Artificial Intelligence capabilities to support both Veterans and employees, such as a "COVID Answer Bot."
- Offered and advertised 20 courses on resiliency and stress management with an average of 221 participants per session.

- Used virtual platforms for hiring fairs, interviewing and modernized onboarding to reduce time to hire during COVID-19 from a previous average number of days of 99 in 2018 to 84 days in 2021. Partnered with LinkedIn Learning to provide more remote training opportunities.
- Launched an initiative to define the Future of Work using the many lessons learned during COVID-19 and adopted numerous best practices. Gathered input from the Administrations, Staff Offices, employees, and labor unions on the Future of Work at VA. The culmination of these efforts was a “Playbook” with information and recommendations to guide VA’s transformation from a traditional to hybrid work environment.
- Provided two quarterly reports to OPM on the use of OPM’s approved authority that enabled VA to waive the dual compensation (salary off-set) restrictions to reemploy individuals needed to work in support of COVID-19 response efforts.
- In support of the victims of the California and Oregon Wildfires and Hurricane Laura, coordinated the receipt of \$87,331 in donations with 169 grant applications approved. This included approximately 80% of the grants being allocated to Veterans, some of whom are also employed by VA.
- Published 10 policies in 2021 to include six title 38 and hybrid title 38 qualification standards to assist the Veterans Health Administration (VHA) in filling critical health care positions to meet the mission of providing care to the Nation’s Veterans.
- Disseminated 30 Bulletins in 2021 on a wide range of human capital topics (e.g., telework, weather and safety leave, travel restrictions, retirement benefits and training, etc.)
- Provided OPM with VA’s 2021 Retirement Financial Literacy and Education Program Plan (RFLEP) designed to provide financial education opportunities to employees throughout their careers and provide Human Resources (HR) practitioners with tools and guidance on conducting a financial literacy fair or seminar at their facility.
- Authored three articles for the “VA Insider” regarding de-mystifying the myths surrounding Veterans’ preference hiring, the Uniformed Service Employment and Reemployment Rights Act (USERRA), the VA Choice Act of 2017 Section 204, and rehiring VA Employees.
- Issued title 5 Special Hiring Authorities Job Aide and completed a total of six comprehensive training sessions on various human capital related topics.
- Developed implementing guidance for VA Choice Act of 2017 initiatives to include Section 205, Promotional Opportunities for Technical Experts.
- Met the Department’s goals for Human Capital Operating Plan Performance Measures to have 30% preference-eligible Veterans onboard and maintain a Veterans retention rate of 5% or less points below the non-Veterans rate. Further, VA increased its usage of the Military Spouse Hiring Authority by 120%.
- Promoted hiring of Veterans and military spouses in VA workforce through a comprehensive outreach strategy that included collaboration with VA Administrations, hosting over 28,000 Veterans, transitioning Service members and military spouses at over 70 recruit military events providing employment-readiness/career coaching assistance; and, extensive social media outreach, to include 764 employment, training and benefits related

posts on VA for Vets website, three full page ads for the Recruit Military Search & Employ Magazine, established a Military Spouse page on VA for Vets website, hosted Veteran Employment Program Virtual Employment Town Hall, Facebook Live mini-chats and Veteran Experience Office's VA VetXL Veteran Employment and Entrepreneurship Q&A session on Rally Point.

- Researched and resolved 98% of the USERRA cases throughout VA and partnered with Employment Support for the Guard and Reserves to resolve 54 cases and prevent formal violations by the Department of Labor.
- Conducted review of 13 Direct Hire Authority and seven Schedule B data-driven reports to ensure government-wide and agency specific appointing authorities do not violate regulatory requirements for permanent and time limited appointments in the competitive and excepted service.
- Collaborated with the VA Careers team and conducted a session on Talk About It Tuesday on the Employee Experience from Considering to Getting In. Provided information and assistance to applicants for employment on searching for jobs, applying for jobs, interviewing, and considering and accepting a job offer. Over 6,000 LinkedIn users viewed the session and over 500 comments were received during the session.
- In collaboration with the Science Technology Policy Institute, provided consolidated Department input on VA's efforts to improve Veteran and military spouse representation in Science, Technology, Engineering, and Mathematics (STEM) career field in support of the White House Office of Science and Technology Policy's implementation of the Veterans in STEM Careers Act.
- Briefed the staff for Senate Committee on Homeland Security and Governmental Affairs Majority on VA's progress implementing Section 205 of the CHOICE Act, Promotional Opportunities for Technical Experts at VA. In response to staff search for information on how this provision can be expanded governmentwide, provided information on how the Act's provision is broad in scope and focuses on the definition of people instead of the classification of positions.
- Released the first-ever employee experience journey map and identified 24 moments that matter in the employee lifecycle. Using this journey map as a guide, VA is conducting deep-dives into improving the onboarding process and using human centered-design in 2021 to continue making VA a best place to work.
- Participated in weekly meetings on implementation of National Security Memorandum-3, established an interagency working group to respond to taskers, and contributing recommendations on streamlining Veteran's preference. Policy committee's focus is on strengthening the National Security Workforce by recruiting and hiring a diverse workforce, removing barriers that inhibit public service, supporting employees and their families, and closing skills gaps.
- Updated guidance regarding Executive Order 14003. Provided updated sample letter templates for use when talking about performance or conducting related actions. Published three editions of the Employee Relations and Performance Management newsletter consisting of 17 articles covering topics, e.g., relevant Merit Systems Protection Board case law and administrative judge decisions, DFWP, delegations, awards, licensure.

- Issued letters to 15 VISNs outlining case listings found during VHA’s new appointment compliance review. As a result, closed 41 case listings. In addition, closed 1 human capital assessment report and 13 required actions.
- Administered Human Capital Self-Evaluation Survey. Achieved 100% survey completion rate.
- Implemented changes pursuant to the Executive Order associated with labor union relations to include: notice to VA’s national unions that VA would no longer charge rent for union office space and that VA will re-provision email accounts and provide information technology equipment to union officials based on existing collective bargaining agreements and memoranda of understanding, sent notice to VA’s national unions that effective March 3, 2021, Labor Management Relations’ October 4, 2019, and in November 15, 2019, notices of implementation of EOs 13836, 13837, and 13839 were cancelled. In addition,
 - Provided guidance via OCHCO Bulletin to HR professionals and notification to national unions regarding restoration of union official time allocations; and compliance with VA collective bargaining agreements which were in existence prior to Executive Orders 13836, 13837, and 13839 are recognized as current agreements consistent with their effective dates.
 - Sent notice to American Federation of Government Employees (AFGE) and OCHCO Bulletin to HR professionals re: AFGE/National Veterans Affairs Council 2021 Health and Safety Conference.
 - Responded to multiple (over 65+) arbitrations, national grievances, unfair labor practices, COVID-19, and other labor relations cases.
- Collaborated with OPM to obtain temporary authority to detail certain title 38 employees into certain title 5 occupations to support VHA’s need to maintain continuity of operations when critical positions become vacant.
- Provided four presentations to HR Professionals on the following: Executive Order 13932, Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates; Revised Job Analysis; OPM Final Rule § 335.103, Reinstatement of former Federal employees at higher grade; title 38 to title 5 details.
- Pursuant to 2022 Passback, developed VACO proposed plan for incorporating talent teams.

Human Capital Services Center (HCSC):

The Human Capital Services Center (HCSC) provides a franchise fund capability to support learning and development across the Department. Driven by VA’s strategic objectives and customer needs, HCSC transforms business operations by modernizing systems and focusing resources more efficiently, and empowering a diverse, fully staffed and highly skilled workforce that consistently delivers world-class service to Veterans and their families. HCSC provides common human capital support services on a fee-for-service basis. These products and services include learning management systems and programs, employee safety and accountability services, internship programs and learning content curation for nearly 630,000 VA employees, contractors, volunteers, and academic affiliates.

As the provider for Department-wide learning and development resources, HCSC builds and purchases customizable, scalable, and easily upgradable products and services to meet customer

needs. HCSC products and services reduce costs, streamline processes, and save VA employees time so they can focus on delivering the best care and service to our Veterans.

Recent Accomplishments:

- Developed more than 40 micro courses to teach administrators, supervisors, and end users how to perform their training tasks and functions in our Talent Management System (TMS) 2.0.
- Provided real-time solutions for emergent training needs as requested by the Department leveraging existing VA tools, resulting in significant increases to training completion without additional cost.
- Reacted to situational changes and impacts of COVID-19 to adapt on-demand learning such as LinkedIn Learning and mandatory trainings, to ease the burden on employees, further demonstrating HCSC's ability to meet employees varied needs.
- Increased employee registration in the Emergency Alerting and Accountability System (EAAS) from 30% in November 2019 to more than 90% in 2021, while hiring increased for front line workers in hospitals and many other VA public servants began teleworking for their safety.

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 10 Washington-area leased locations and manages special projects 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 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; secured 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 reconfigured conference rooms to ensure 6-foot distancing was being practiced.

- OA was selected as the executive lead for the COVID-19 Coordination Team (CCT) which is a governance body for the entire Department as mandated by the OMB Memorandum M-21-15. The CCT provided oversight and coordination activities for VA to ensure safety measures were established across all facilities.
- Initiated contracts required to respond to the COVID-19 pandemic. This resulted in improved VACO Annex plan, and guidebooks for each location; guidance for furniture and space changes, updates to the Space Optimization project designs, and space and furniture design guidance for future projects.
- Led effort to improve safety across VA by reducing the injury and illness Lost Time Claim Rate (LTCR). For 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 DOL Return-to-Work Ratio (RTW). The RTW result for 2020 was 90% which was 1 point short of the DOL goal; however, the goal did not factor pandemic impacts. For 2021, the RTW result to date (through the 3rd quarter) is at 91%.
- Reduced workers' compensation case backlog by aggressively returning employees with work-capacity back to work, saving VA \$5.0 million in chargeback costs from the costs in 2020.
- 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 including:
 - 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.
 - Development of "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.
 - Critical technical information and coordination for a new system (Safety Workers' compensation Information Management System/SWIMS) to provide safety and workers' compensation management information.

- 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.
- Began execution of 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 reduce VACO leased space without incurring vacant space cost. This resulted in a reduction of 73,000 square feet for an annual rent savings of \$4.3 million.
- Strengthened controls over accountable property and completed 100% of all physical inventories for over 57,000 line-items, valued at \$171.0 million for 46 VACO campus buildings accounting for over 99% of assets despite low building occupancy.
- Executed highly efficient personal property distribution operations in support of nationwide high-priority requirements 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. 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.
- 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.
- 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 2021 obligation request by approximately 66% in the National Capital Region while continuing to monitor actual usage for the possibility of additional reductions.
- Achieved improvements within customized Workflows, Business Intelligence (BI), and Predictive Analytics through the integration of iDashboards and other SharePoint deliverables: automating customer service request, generating visual performance metrics, and incorporating customer feedback into the OA decision matrix. Other agencies reviewing the SharePoint achievements and accomplishments to glean best practices

- Leveraged Continuous Process Improvement (CPI) in the last 12 months to enforce cultural transformation efforts and audit cost savings across HRA/OSP. CPI mentored phase two of VA's childcare subsidy program to streamline and standardize processes to identify necessary organizational restructuring to gain efficiencies and improvements. Additionally, CPI presented remote Problem Identification Selection Workshop to HRA/OSP.
- Assisted Building Management division on VACO space utilization by developing a metric to provide visibility of "real time" occupancy rate for buildings 810 and 811 Vermont Avenue, as well as 425 "I" Street. The monitoring of the number of occupants in these primary buildings is an indicator of the current building usage as well as the vacancy rate.
- Established the operational status of VACO facilities throughout the National Capitol Region (NCR) during civil unrest in Washington DC. Worked with local law enforcement and provided daily situational updates to the VA Integrated Operations Center (VAIOC), so they could inform affected employees to avoid areas of the city or determine if there were safety concerns reporting to work. Coordinated with GSA on building damage, graffiti removal and repairs including replacement of multiple broken windows.

Office of Resolution Management and Office of Diversity and Inclusion (ORMDI)

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. 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 conducted 55 veteran listening sessions and 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 to include policy compliance, proactive and preventative training and guidance under Title VII, the ADA, and section 501 of the Rehabilitation Act.

RM 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 program strives to identify and understand barriers to opportunity with a goal of providing everyone, Veterans, and employees, including those who belong to underserved communities, with equity and fair access to health care and benefits as part of a comprehensive enterprise-wide equity agenda. 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; 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):

- Led VA's execution of EO 14035 Advancing Diversity, Equity, Inclusion and Accessibility in the Federal Workforce. Currently, leading all efforts of initial surveys and assessments to identify barriers to diverse and equitable employment opportunities.
- Developed in concert with SecVA, the VA Inclusion, Diversity, Equity and Access (I-DEA) task force to establish governance in the execution of EO 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. Successfully built a collaborative action team with representatives from VBA, VHA, NCA, Center for Women Veterans, Center for Minority Veterans and Veterans Experience Office to prioritize VA programs with potential barriers and access to VA benefits and services. OMB required 60, 90 and 200-day reports have been submitted timely.
- Developed World Class Harassment Prevention and Recourse program required by section 5303 of the Deborah Sampson Act in collaboration with OSVA, VHA, VBA, NCA and HRA/OSP. The collaborative agency-wide program has developed intervention policies and procedures for veterans, employees, and contractors.
- Completed all requirements and reports for EO 13988 Preventing and Combating Discrimination on the Basis of Gender identity or Sexual Orientation.
- Received 3751 (2021 through 3rd quarter) pre-complaints in which 54% opted for ADR participation. As a result of the 52% resolution rate, VA-wide 2021 through 3rd quarter cost avoidance for EEO complaint processing: \$31.3 million and workplace disputes: \$17.3 million. Total cost avoidance: \$48.6 million.
- Resolved 86% of non-EEO workplace disputes using ADR.
- Implemented several changes to improve EEO complaint processing. Timeliness of investigations increased from 93% (2020) to 100% (2021)
- Modernized and improved the visibility of critical data. The new Microsoft Equal Employment Opportunity Ecosystem (E2) will focus on the implementation of new

functionality to address Congressional Mandates, specifically the Deborah Sampson Act and the Elijah Cummings Federal Employees Antidiscrimination Act of 2020. The consolidation of and combining existing disparate systems will expedite EEO investigation processing and add a public-facing portal which is designed to offer an accessible way for anyone inside or outside the VA network to file and track a claim. This system also adds Reasonable Accommodation Management System (RAMS) and the Harassment Prevention Program, further standardizing and heightening visibility/sharing of data from these functions across VA, OEDCA, law enforcement agencies, and to Congress.

- Served as a pilot agency for the OPM Federal Employment Diversity (FED) Tool designed to streamline existing government-wide diversity and inclusion (D&I) reporting requirements through consolidation of multiple reporting methods into one tool. As a promising practice, utilization of the OPM FED Tool allowed Department officials to readily evaluate progress on its D&I activities.
- 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
- Strengthened the Community of Practice for Reasonable Accommodation and Personal Assistant Services and their governance frameworks by providing training and guidance to 2,715 (2021 through 3rd quarter) managers/supervisors within VHA, VBA, NCA and VACO.
- Conducted a week-long Virtual EEO Conference for all EEO and D&I practitioners and specialists.
- Managed the agency-wide settlement program in collaboration with the Office of General Counsel, the Administrations and Staff Offices.
- 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 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 MD 715 Report to the Equal Employment Opportunity Commission (EEOC). The purpose of the report is to provide an assessment of the Department's EEO program and prepare plans for corrective action.
- Promulgated the 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.

- Partnered with VHA and EES to develop Bystander Intervention Training for Veterans to create a culture where all are welcomed, and safe.
- Partnered with EES to refresh NO FEAR training.
- Partnered with EES to refresh Harassment Prevention Training.
- 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.
- 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.
- 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.
- Established VA Barrier Analysis Workgroup to identify and eliminate barriers to equal employment opportunities in VA for applicants and employees.
- Conducted Human-Centered Design (HCD) research to develop a journey map and design a survey instrument focused on capturing the voice and insights of employees' experience with the formal/informal EEO complaint process to include measuring the moments that matter most to complainants during the process within ORMDI control. Initial feedback results revealed the following eight areas as being important to the customer: retaliation, timelines, being heard and respected, accuracy of investigative report, transparent and consistent communications, staff participation, misperceptions of the EEO process and lack of understanding about the discrimination complaints process.
- Piloted a transformative, holistic Women's Leadership Workshop for Women at VA, which if benchmarked will lead to more gender conscious leadership across the enterprise. The primary goal of the workshop was to help women embrace their authenticity to create a more harmonious workplace culture within VA. Established the first ever PRIDE Employee Resource Group and conducted more than 40 events to show PRIDE support in June 2021.
- Served as a joint venture partner for the League of United Latin American Citizens (LULAC) Federal Training Institute's (FTI) Virtual LULAC FTI Partnership SES and Leadership Development Training Series. There were thousands of federal employees who attended no cost, interactive, participant-focused workshops linked to the Executive Core Qualifications on Leading Change, Leading People, Results Driven, Business Acumen, and Building Coalitions.

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 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. 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.

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 managed to successfully complete

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.

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 (COP) 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.

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.
- Enabled VAIOC COVID-19 crisis operations by purchasing and deploying 30 dedicated geospatial information system and knowledge management specialty host laptops.
- Coordinated the Department's outreach efforts for Pacific Islands Campaign.

Office of Security & Law Enforcement (OSLE)

OSLE develops all police 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 provides 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. OSLE partners with several Federal law enforcement agencies to maximize information exchange, training, planning and policy development.

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, OSLE does the following:

- Conducts program inspections of 144 Police units around the nation and criminal investigations of serious incidents, which occur on VA- controlled property.
- Provides personal protection for the Secretary and Deputy Secretary.
- Develops Infrastructure Protection policy; interface with Federal Protective Services for Campus Security and represent VA on Federal steering committees.
- Conducts ongoing criminal analyses to identify and track trends.
- Collects, analyzes, and disseminates data working in conjunction with Federal partners to enhance security posture across the nation.
- Staffs a 24/7 VA Integrated Operations Center (IOC) in providing intelligence and analysis to 4,200 police officers.
- Designs, develops, implements, and maintains a critical vulnerability assessment capability. Works with field units in mitigating threats before they happen.

Recent Accomplishments (OSLE):

- Successfully conducted 34 Police program inspections in 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 2020 to ensure allegations of misconduct and criminal offenses by police officers were properly adjudicated, ensuring accountability for a 4,200 person police force.
- 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 provides 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 facilitates 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; provides advice and counsel to senior VHA, NCA and VBA leaders; and collects, analyzes, and disseminates data to drive enhanced security measures. OCOP partners 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)).

Recent Accomplishments (OCOP):

- 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 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 2021 President's Budget Submission and formulation of the 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.
- 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 & Administration/ Operations, Security &
Preparedness**
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	341	340	340	358	18	5.3%
Field	365	489	484	492	8	1.7%
Total FTE	706	829	824	850	26	3.2%
Direct obligations						
Personnel compensation	42,878	46,243	46,243	50,893	4,650	10.1%
Personnel benefits	14,528	16,354	16,354	17,950	1,596	9.8%
Travel	486	938	938	957	19	2.1%
Rents, communications, and utilities	20,351	21,428	21,428	21,555	127	0.6%
Printing	49	94	94	95	1	0.8%
Other services	17,617	17,995	17,995	19,336	1,341	7.5%
Supplies and materials	262	313	313	320	7	2.3%
Equipment	17	190	190	195	5	2.4%
Grants, judgements, interest, and insurance	312	92	92	93	1	1.3%
Subtotal, direct obligations	96,498	103,646	103,646	111,394	7,748	7.5%
Reimbursable obligations						
Personnel compensation	39,847	51,254	50,744	52,002	1,258	2.5%
Personnel benefits	18,877	23,785	23,698	26,047	2,349	9.9%
Travel	16	952	1,046	1,955	909	86.9%
Rents, communications, and utilities	2,472	2,635	2,935	3,063	128	4.4%
Printing	2	817	817	1,033	216	26.4%
Other services	93,618	57,322	54,827	59,810	4,983	9.1%
Supplies and materials	44	126	153	629	476	311.9%
Equipment	1,679	13	13	103	90	688.8%
Grants, judgements, interest, and insurance	701	52	52	53	1	1.9%
Subtotal, reimbursable obligations	157,256	136,956	134,285	144,695	10,410	7.8%
Total obligations	253,754	240,602	237,931	256,089	18,158	7.6%



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 2023, OEI requests \$36.2 million in appropriations to support 102 FTE, and reimbursement authority of \$4 million to support its mission requirements.

Office of Enterprise Integration
 Budgetary Resources
 (\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	27,445	33,636	33,636	36,229	2,593	7.7%
Reimbursable obligations	5,725	4,000	4,000	4,000	-	0.0%
Total obligations	33,171	37,636	37,636	40,229	2,593	6.9%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	-	-	-	-	-	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	-	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	28,652	33,636	33,636	36,229	2,593	7.7%
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	28,652	33,636	33,636	36,229	2,593	7.7%
Offsetting collections	5,725	4,000	4,000	4,000	-	0.0%
Subtotal, budget authority	34,377	37,636	37,636	40,229	2,593	6.9%
Total budgetary resources	34,377	37,636	37,636	40,229	2,593	6.9%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	1,207	-	-	-	-	-

**Office of Enterprise Integration
Summary of Budget Request**
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Office of the AS/PDAS	1,939	1,939	1,939	3,748	1,809	93.3%
Office of Policy and Interagency Collaboration	2,650	2,650	2,650	2,356	-294	-11.1%
Office of Data Governance and Analytics	7,125	10,780	10,780	12,967	2,187	20.3%
Office of Planning and Performance Management	9,938	10,535	10,535	6,215	-4,320	-41.0%
Office of Modernization	-	-	-	-	-	0.0%
Office of Enterprise Program Integration	5,793	7,732	7,732	10,943	3,211	41.5%
Subtotal, direct	27,445	33,636	33,636	36,229	2,593	7.7%
Reimbursable						
Enterprise Data Contracts	2,144	4,000	4,000	4,000	-	0.0%
Veterans Innovation Center	385	-	-	-	-	0.0%
Subtotal, reimbursable	2,529	4,000	4,000	4,000	-	0.0%
Total	29,974	37,636	37,636	40,229	2,593	6.9%

**Office of Enterprise Integration
Summary of FTE Request**

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Direct						
Office of the AS/PDAS	11	9	12	12	-	0.0%
Office of Policy and Interagency Collaboration	11	13	10	12	2	20.0%
Office of Data Governance and Analytics	23	30	24	30	6	25.0%
Office of Planning and Performance Management	21	29	24	28	4	16.7%
Office of Enterprise Program Integration	13	25	10	20	10	100.0%
Subtotal, direct	79	106	80	102	22	27.5%
Reimbursable						
Enterprise Data Contracts	-	-	-	-	-	-
Veterans Innovation Center	3	-	-	-	-	-
Subtotal, reimbursable	3	-	-	-	-	-
Total	82	106	80	102	22	27.5%

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.
- Coordinates and leads VA's integrated governance approach to proactively manage all cross-Department efforts related to environmental exposure issues.
- 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 manages 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.
- 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.
- Provides executive secretariat support to VA's enterprise governance process.

Office of Enterprise Program Integration (OEPI)

OEPI enables synchronization of enterprise transformation activities to improve the performance of the Department by adopting of best business practices from the private and public-sector. OEPI 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). OEPI coordinates program management review and synchronizes integration as appropriate across VA enterprise initiatives focusing on:

- Reviewing each major initiative to track schedules, inter-dependencies, risks, and program transition points.
- Facilitating Deputy Secretary's Operational Management Review of priority initiative.
- Leading real time integration and program updates through the VA's enterprise governance process.

Recent Accomplishments:

In 2021, organizational components constituting OEI achieved the following:

- Provided overall planning, coordination, and management/administrative support for all VA's Presidential transition activities.
- 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.
- Further 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.
- Matured and expanded a common data environment that enables business analytics and performance improvement planning.
- Led the strategic review of the Electronic Health Record Modernization (EHRM) Program to identify opportunities for improvement covering all aspects of the EHRM implementation.
- 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.
- Updated and certified over 50 VA policy directives and handbooks.

Budget Highlights

The 2023 request includes \$36.2 million in total planned obligations and 102 FTE necessary for OEI to continue providing comprehensive management support 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:

- \$1.5 million in contract dollars and a total of 28 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.
- \$7.0 million in contract dollars and a total of 20 FTE will support the **Office of Enterprise Program Integration** to lead and manage transformation initiatives across the Department.
- \$6.5 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 2023 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.

Increases

In 2022, OEI realigned some of its payroll expenses to contract support for the Paperwork Reduction Act of 1995 and Evidence-Based Policymaking Act. OEI expects to end 2022 with 80 cumulative FTE (85 employees). The 2023 budget request is an increase of \$2.6 million over 2022. The increase consists of \$1.3 million in inflation and pay raise costs, plus \$1.3 million for: additional FTE (to reach a cumulative FTE of 102); Enterprise Governance Support; and implementation of the Evidence-Based Policymaking Act of 2018 including a fully functional program office to manage Paperwork Reduction Act activities as required by law.

Office of Enterprise Integration
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	79	106	80	102	22	27.5%
Field	-	-	-	-	-	-
Total FTE	79	106	80	102	22	27.5%
Direct obligations						
Personnel compensation	11,540	15,958	11,731	15,648	3,917	33.4%
Personnel benefits	3,959	5,610	4,119	5,418	1,299	31.5%
Travel	4	125	60	88	28	46.7%
Printing	4	10	10	10	-	0.0%
Other services	11,731	11,923	17,706	15,050	-2,656	-15.0%
Supplies and materials	12	10	10	15	5	50.0%
Equipment	195	-	-	-	-	-
Subtotal, direct obligations	27,445	33,636	33,636	36,229	2,593	7.7%
Reimbursable obligations						
Personnel compensation	350					-
Personnel benefits	51					-
Other services	5,324	4,000	4,000	4,000	-	0.0%
Subtotal, reimbursable obligations	5,725	4,000	4,000	4,000	-	0.0%
Total obligations	33,170	37,636	37,636	40,229	2,593	6.9%



Office of Public and Intergovernmental Affairs

Mission

The Office of Public and Intergovernmental Affairs (OPIA) helps build and maintain public confidence in the Department of Veterans Affairs (VA) 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 2023, OPIA is requesting budget authority of \$16.3 million for 76.5 FTE to support its mission. OPIA is requesting reimbursement authority of \$17.1 million for enterprise cost-shared contracts and .5 FTE for provided publication support. The request in 2023 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 are aware of and can 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 & Intergovernmental Affairs
 Budgetary Resources
 (\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	15,712	14,435	14,435	16,264	1,829	12.7%
Reimbursable obligations	16,541	16,402	16,402	17,110	708	4.3%
Total obligations	32,253	30,837	30,837	33,374	2,537	8.2%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	2,259	-	-	-	-	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	2,259	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	13,500	14,435	14,435	16,264	1,829	12.7%
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	13,500	14,435	14,435	16,264	1,829	12.7%
Offsetting collections	16,541	16,402	6,402	17,110	708	4.3%
Subtotal, budget authority	30,041	30,837	30,837	33,374	2,537	8.2%
Total budgetary resources	32,300	30,837	30,837	33,374	2,537	8.2%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	47	-	-	-	-	-

Office of Public & Intergovernmental Affairs
Summary of Budget Request
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Office of Assistant Secretary	3,771	5,242	5,242	2,727	-2,515	-48.0%
Office of Public Affairs	6,585	4,953	4,953	7,828	2,875	58.0%
Office of Intergovernmental Affairs	2,737	2,627	2,627	3,286	659	25.1%
Office of Internal Communications	759	967	967	814	-153	-15.8%
Office of National Veteran Outreach	764	-	-	875	875	-
Office of Executive Speechwriters	660	646	646	734	88	13.6%
Homeless Veteran Outreach and Strategic Communications Office	436	-	-	-	-	-
Subtotal, direct	15,712	14,435	14,435	16,264	1,829	12.7%
Reimbursable						
Enterprise E-mail Service	3,019	2,529	2,574	3,696	1,122	43.6%
Media Clips Contract	58	408	408	394	-14	-3.4%
VA Branding Contract	12,763	13,465	12,722	12,322	-400	-3.1%
Homeless Veteran Outreach Contract	701	-	601	601	-	0.0%
Publication Support	-	-	97	97	-	0.0%
Subtotal, reimbursable	16,541	16,402	16,402	17,110	708	4.3%
Total	32,253	30,837	30,837	33,374	2,537	8.2%

**Office of Public & Intergovernmental Affairs
Summary of FTE Request**

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate		
					FTE	%	
Direct							
Office of Assistant Secretary	6	7	7	6	-1	-14.3%	
Office of Public Affairs	42	39	43	43	-	0.0%	
Office of Intergovernmental Affairs	17	13	13	17	4	30.8%	
Office of Internal Communications	4	4	4	4	-	0.0%	
Office of National Veteran Outreach	3	-	3	3	-	0.0%	
Office of Executive Speechwriters	3	4	3	3	-	0.0%	
Homeless Veteran Outreach and Strategic Communications Office	4	-	-	-	-	-	
Subtotal, direct	79	67	73	76	3	4.1%	
Reimbursable							
Publication Support	-	-	1	1	-	0.0%	
Subtotal, reimbursable	-	-	1	1	-	0.0%	
Total	79	67	74	77	3	4.1%	

1/ Effective October 1, 2021, Homeless Veteran Outreach and Strategic Communications Office with 4 FTE will transfer from OPIA to VHA.

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.

Office of 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. The Office of

Public Affairs has oversight of the Office of Digital Media Engagement, Office of Field Operations, Office of Media Relations, Office of Strategic Planning and Veteran Outreach and Office of Press Secretary.

Office of 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 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 National Veterans Outreach

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.

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.

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 wide range of services available within VA to help Veterans exit homelessness and remain in stable housing. HVOSCO 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.

Effective November 7, 2021, the HVOSCO function and associated four FTE were realigned from OPIA to VHA.

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.

Accomplishments 2021

- 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 30 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.

- Choose VA National Advertising Program increased awareness of VA benefits and services resulting in impressions (viewed by target audiences) of more than 715,361,681 and added value to more than \$16,609,983 garnered through paid placements, public service announcements and donated media space.
- Planned and executed VA participation in the Department of Defense led 50th Anniversary of the Vietnam War Commemoration Program. Due to the COVID-19 pandemic, many events were postponed; however, the office assisted with increasing digital outreach to support the mailing of lapel pins to Vietnam Veterans upon request. Planning remains to actively generate local and regional news on future events.

Budgetary Increases

OPIA seeks an increase of \$1.8 million in 2023. The increase consists of \$0.6 million for pay raises and inflation and \$1.2 million to support Choose VA campaigns and maintain current level of actual FTE to meet OPIA's mission.

Office of Public & Intergovernmental Affairs
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	51	42	42	46	4	9.5%
Field	28	25	31	31	-	0.0%
Total FTE	79	67	73	77	4	5.5%
Direct obligations						
Personnel compensation	10,637	9,475	9,475	11,083	1,608	17.0%
Personnel benefits	3,624	3,367	3,367	4,031	664	19.7%
Travel	65	129	129	151	22	17.2%
Transportation of things		-				-
Rents, communications, and utilities	55	51	51	30	-21	-
						41.2%
Printing	75	50	50	75	25	50.0%
Other services	1,251	1,342	1,342	849	-493	-
						36.7%
Supplies and materials	3	21	21	24	3	14.3%
Equipment		-		20	20	-
Grants, judgements, interest and insurance	1					-
Subtotal, direct obligations	15,712	14,435	14,435	16,264	1,829	12.7%
Reimbursable obligations						
Personnel compensation			67	67	-	0.0%
Personnel benefits			30	30	-	0.0%
Rents, communications and utilities	3,019		2,574	3,696	1,122	43.6%
Other services	13,522	16,402	13,731	13,317	-414	-3.0%
Subtotal, reimbursable obligations	16,541	16,402	16,402	17,110	708	4.3%
Total obligations	32,253	30,837	30,837	33,374	2,537	8.2%



Office of Congressional and Legislative Affairs

Mission Statement

The mission of the Office of the Congressional and Legislative Affairs (OCLA) is to engage proactively and collaborate with the United States Congress to improve the lives and outcomes—including excellent care and benefits—for all Veterans, their families, and survivors. OCLA serves as the political knowledge base of the Department and is responsible for the relationship and interactions with the Congress, who has a VA-presence in nearly every congressional district and state. Lastly, OCLA works to align VA’s strategic and legislative priorities with the Administration.

Office of Congressional & Legislative Affairs Budgetary Resources (\$s in thousands)						
Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	8,488	7,480	7,480	9,545	2,065	27.6%
Total obligations	8,488	7,480	7,480	9,545	2,065	27.6%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	1,577	-	-	-	-	-
Subtotal, unobligated balance	1,577	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	7,000	7,480	7,480	9,545	2,065	27.6%
Subtotal, appropriations	7,000	7,480	7,480	9,545	2,065	27.6%
Subtotal, budget authority	7,000	7,480	7,480	9,545	2,065	27.6%
Total budgetary resources	8,577	7,480	7,480	9,545	2,065	27.6%
Unexpired unobligated balance	89	-	-	-	-	-

¹ The 2021 amount includes \$1.6 million in General Administration carryover funding to support on-boarding FTE.

Office of Congressional & Legislative Affairs
Summary of Budget Request
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Office of Congressional and Legislative Affairs	8,488	7,480	7,480	9,545	2,065	27.6%
Subtotal, direct	8,488	7,480	7,480	9,545	2,065	27.6%
Total	8,488	7,480	7,480	9,545	2,065	27.6%

Office of Congressional & Legislative Affairs
Summary of FTE Request

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Direct						
Office of Congressional and Legislative Affairs	46	40	40	51	11	27.5%
Subtotal, direct	46	40	40	51	11	27.5%
Reimbursable						
Office of Congressional and Legislative Affairs	-	-	-	-	-	-
Subtotal, reimbursable	-	-	-	-	-	-
Total	46	40	40	51	11	27.5%

OCLA's 2023 budget request will:

- Provide \$9.5 million and an average employment of 51 FTE to fund all OCLA activities in 2023. The 51 FTE includes personnel assigned to the Central Office and OCLA's Outreach and Congressional Liaison Service offices on Capitol Hill.
- Continue to advance and bolster responsive and effective congressional communications (i.e., briefings, information requests, meetings, hearings, roundtables, site visits, and constituent services) to ensure transparency and enhance the knowledge of VA for Members of Congress and staff.
- Support each of the Department's Legislative Proposals included in the President's budget as well as the VA Secretary's Priorities and Strategic Goals in the 2022-2028 Strategic Plan by engaging Congress for needed resources and legislative authorities and shape external market forces to favor Veteran outcomes as outlined this plan.
 - Provide technical assistance – including views and estimates – on draft legislation and support the development and execution of the Department's legislative priorities.
 - Support Members of Congress who are not on the Department's committees of jurisdiction with information on VA and foster relationships with local VA facilities in their districts and states.
 - 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 2023, approximately 5 VA employees will have an opportunity to participate in the program.

Program Description and Accomplishments

OCLA coordinates the Department's activities with Congress. It is the Department's focal point for all interactions and engagements with Members of Congress, authorization committees and personal staff. Additionally, the Office is the Department's liaison with the Government Accountability Office (GAO). The Assistant Secretary advises the Secretary of the Department of Veterans Affairs (VA) and serves as the Department's primary point of contact with Congress. The Assistant Secretary also serves as the Department's principal point of contact between

OCLA and the White House Office of Legislative Affairs as well as other Federal agency legislative operations.

Activities

- Coordinates VA's relations and all activities with Congress.
- Maintains responsive communications with Congress through briefings, hearings, correspondence, reports, site visits, requests for information (RFIs), and other requested services from Members of Congress.
- Develops and executes the Secretary and Department's legislative strategy and priorities and champions them before Congress.
- Leads the preparation and management of the Department's participation in Congressional hearings, briefings and accompanies VA personnel in meetings with Members of Congress, Congressional committees, or staff.
- Coordinates the development of pro-Veteran legislation, requests for views and technical support of the Department on pending or proposed legislation to benefit Veterans and improve the operations and efficiency of the Department.
- Manages the Department's Title 38 U.S.C. Congressionally Mandated Reports (CMR) process and transmits those reports to Congress. These reports do not include reports mandated by appropriations acts.
- Leads and coordinates on behalf of the Department in working with the Office of Management and Budget (OMB) for comments and review on pending authorizing legislation, oversight and authorizing legislation testimony, draft Statements of Administration Policy, or other material for which OMB requests VA review.
- In close consultation with the White House, supports hearings for VA nominees.
- Coordinates with the Department on responses to Congressional Budget Office (CBO) requests.
- Advises VA senior leadership, in coordination with program office and legal staff, on all legislative matters, including serving as the primary OCLA representative for strategy and working group efforts within VA leadership.
- Provides Congressional liaison support to all Members of Congress and staff.
- Maintains liaison offices in Senate and House office buildings.
- Receives and processes Member requests for assistance with constituent and policy inquiries.
- Receives, resolves, and responds to Veteran case inquiries from Congressional offices.

- Serves as the Department’s liaison with the GAO, monitoring GAO activities affecting VA and Veterans and notifying the Department of all GAO engagements.
- Prepares responses to GAO draft and final reports and provides updates to open recommendations. Ensures responses are provided to GAO in a timely manner and keeps VA leadership apprised of GAO recommendation implementations.
- Oversees the Congressional Fellowship Program and Federal detailees stationed in OCLA, which provides opportunities for VA and Federal employees to learn the workings of the legislative branch and capitalize on the experience gained.

In 2021, OCLA supported 45 hearings/roundtables and conducted 473 congressional briefings, including educational seminars, responded to 4,014 requests for information in addition to 328 questions for the record, supported 73 GAO entrance/exit conferences, and coordinated the Department’s response to 93 GAO draft/final reports. OCLA’s liaison team fielded 34,382 telephone inquiries and letters in support of constituent casework, in addition to Secretarial and senior leader policy and informational correspondence. OCLA proactively coordinated and sent 1,196 VA notifications or press releases to the Hill. OCLA’s legislation team provided technical assistance on over 511 draft pieces of legislation. OCLA completed 159 Congressional Mandated Reports. OCLA personnel directly supported congressional oversight visits to VA facilities throughout the Nation and supports the Secretary and Deputy Secretary for any congressional meetings and travel.

Overall, in 2021, OCLA saw an increase in overall workload. Due to budget constraints, OCLA relied on the support of details/interns to assist with workload. The additional FTE is justified as VA’s 2021 All Employee Survey indicated the top two concerns of OCLA staff as workload and burnout. The additional dollars would support OCLA in addressing this concern, while ensuring timely, responsive, and thorough communication is shared with the Congress.

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 – including initiatives to improve overall morale – and will continue to strive to improve the Department’s responsiveness and communications with Congress.

Increases

OCLA’s request includes \$0.3 million for inflation and pay raises and \$1.7 million for personnel to support the current and expected increase in workload.

Office of Congressional & Legislative Affairs
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	46	40	40	51	11	27.5%
Field	-	-	-	-	-	-
Total FTE	46	40	40	51	11	27.5%
Direct obligations						
Personnel compensation	5,944	5,488	5,530	7,100	1,570	28.4%
Personnel benefits	2,037	1,502	1,649	1,928	279	16.9%
Travel	17	50	13	57	44	338.5%
Printing	5	5	5	5	-	0.0%
Other services	486	419	278	445	167	60.1%
Supplies and materials		16	5	10	5	100.0%
Subtotal, direct obligations	8,488	7,480	7,480	9,545	2,065	27.6%
Total obligations	8,488	7,480	7,480	9,545	2,065	27.6%

¹ The 2021 amount includes \$1.6 million in General Administration carryover funding to support on-boarding FTE.

- The 2023 personal services request of \$9.0 million supports approximately 51 FTE.



Office of Acquisition, Logistics, and Construction

Mission Statement

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 management with planning, design, construction and associated activities of the Department's major construction and leasing projects.

Office of Acquisition, Logistics & Construction
Budgetary Resources
(\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate		
					\$	%	
Obligations							
Direct obligations	-	-	-	-	-	-	
Reimbursable obligations	89,758	138,647	138,647	154,353	15,706	11.3%	
Total obligations	89,758	138,647	138,647	154,353	15,706	11.3%	
Budgetary resources							
Unobligated balance:							
Unobligated balance brought forward, Oct 1	-	-	-	-	-	-	
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-	
Subtotal, unobligated balance	-	-	-	-	-	-	
Budget authority:							
Appropriations, discretionary							
Appropriation	-	-	-	-	-	-	
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-	
Subtotal, appropriations	-	-	-	-	-	-	
Offsetting collections	89,758	138,647	138,647	154,353	15,706	11.3%	
Subtotal, budget authority	89,758	138,647	138,647	154,353	15,706	11.3%	
Total budgetary resources	89,758	138,647	138,647	154,353	15,706	11.3%	
Unobligated balance expiring	-	-	-	-	-	-	
Unexpired unobligated balance	-	-	-	-	-	-	

Office of Acquisition, Logistics & Construction
Summary of Budget Request
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Reimbursable						
From Major Construction	86,256	124,601	124,601	146,108	21,507	17.3%
From Supply Fund	2,199	3,768	3,768	3,933	165	4.4%
From Major Construction Seismic	1,303	10,278	10,278	3,866	-6,412	-62.4%
VHA Fund	-	-	-	446	446	-
Subtotal, reimbursable	89,758	138,647	138,647	154,353	15,706	11.3%
Total	89,758	138,647	138,647	154,353	15,706	11.3%

*Note: The \$146.1 million shown in 2023 from the Major Construction Reimbursement includes \$128.1 million in current-year dollar and \$18 million from prior-year balances.

Office of Acquisition, Logistics & Construction Summary of FTE Request							
Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate		
					FTE	%	
Direct							
From Major Construction	-	-	-	-	-	-	
From Supply Fund	-	-	-	-	-	-	
From Major Construction Seismic	-	-	-	-	-	-	
VHA Fund	-	-	-	-	-	-	
Subtotal, direct	-	-	-	-	-	-	
Reimbursable							
From Major Construction	357	501	501	531	30	6.0%	
From Supply Fund	11	19	19	19	-	0.0%	
From Major Construction Seismic	7	51	51	21	-30	-58.8%	
VHA Fund	-	-	-	2	2	-	
Subtotal, reimbursable	375	571	571	573	2	0.4%	
Total	375	571	571	573	2	0.4%	
*Note: The 573 FTE shown in 2023 from Major Construction includes 508 FTE funded from current-year dollars and 65 FTE funded from prior-year balances.							

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 oversight and management functions and CFM. Detailed information on OAL and OPAL is included in the Office of Acquisition and Logistics/Office of Acquisition Operations: Supply Fund Chapter. The Department spends approximately \$37 billion annually through contracts to support VA's mission of serving our Veterans. This includes national contracts for all government agencies to use 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 4,689,776 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 also partners 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.

Through the Major Construction account CFM provides regional and local support for Major Construction, Seismic and Lease projects by funding on-site supervision of those projects in addition to a variety of support services. Funding supports multiple position types including engineers/architects, program/project managers, historic preservation specialists, realty specialists, planners, contracting officers and management support staff.

Office of Acquisition, Logistics, and Construction 2023 Funding

OALC is requesting \$154.3 million and 573 FTE in reimbursable funding. This includes \$146.1 million from the Major Construction Appropriation for 531 construction and leasing-related FTE. Balances from Major Construction will be utilized in the amount of \$18 million. Also included is \$3.9 million from the Major Construction Appropriation for 21 Seismic FTE, \$3.9 million for 19 FTE for management oversight of functions funded through the Supply Revolving Fund and two FTE funded from VHA for program management and task order services associated with the National Broker contract. Funding will cover costs of salaries, rent, contract support, training, travel, and permanent change of station. Staff will be located at the VA Central Office and throughout the contiguous United States, Hawaii, Alaska, Puerto Rico and Guam.

2023 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	52	0	52
Planners	54	0	54
Contracting Officers	54	0	54
Architect/Engineers	23	0	23
Management Support	51	19	70
Total	554	19	573

The FTE distribution aligns with the budget resources in the 2023 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 currently manages 68 Major Construction projects valued over \$15 billion for the acquisition, design, construction, renovation, and modernization of medical centers, as well as building new cemeteries and expanding existing ones. Additionally, CFM is 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% increase in lease needs. Due to Acceptances of previously authorized Major Leases and the lack of new authorization for requested leases since 2019, the current Total Contract Value is now just over \$6 billion in 2023, supporting 65 delegated, active leases,

including 21 not yet authorized leases in the 2022 Budget Request plus an additional 10 Major Leases seeking authorization in the 2023 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).

CFM continues to enhance our programs to address a wide range of opportunities:

- 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. New leadership at both agency Program Management Offices (PMOs) will improve project execution oversight resulting in speed and agility through enhanced partnering, collaboration, and transparency.
- Executing 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. Partnering with our customers and stakeholders to apply the necessary rigour to project planning and development early and as needed to improve capital program execution outcomes in support of our Nation's Veterans.
- Partnering with our customers and stakeholders to apply the necessary rigor to project planning and development early and as needed to improve capital program execution outcomes in support of our Nation's Veterans.
- Implementing sophisticated project controls in response to USACE, Office of Inspector General (OIG), Government Accountability Office (GAO), and internal reviews. Efforts are underway to map VA and USACE project execution processes in order to identify touchpoints and critical gaps that will help inform updates needed for processes, policy, and the VA/USACE Enterprise Program Management Plan (EPgMP) ultimately improving the speed, agility, and costs of project delivery.
- Preparing to execute 21 Major Leases that are currently awaiting authorization in the 2022 Budget Request plus an additional 10 Major Leases seeking authorization in the 2023 Budget Request. Unauthorized leases previously included in VA's 2019, 2020, 2021, and 2022 Budget Requests, are included in the 2023 Budget Request. Upon authorization CFM will utilize the processes built through the successful execution of Choice Act 1.0 and 2.0 leases to ensure these leases get to acceptance as expeditiously as possible.

Program Description and Accomplishments

OALC oversees the OAL, OPAL, and CFM. CFM responsibilities include managing 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 sustainability, environmental and historic preservation policy for VA in order to deliver high-quality, cost-effective facilities in support of our Nation's Veterans.

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. CFM 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 5.3 million square feet supporting almost 5.2 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 laws, codes, regulations, standards, historic preservation, cultural resource laws, and Executive Orders. CFM provides planning, environmental, historic, seismic, 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, feasibility and other due diligence studies 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.

2021 Program Highlights

- Obligated \$952.2 million through September 2021 in the major construction program, including \$616.2 million in funds transferred to USACE for nine Major Construction super projects and \$11.2 million in the Seismic Corrections Program.
- Delivered seven major construction project phases at Biloxi, Mississippi; Palo Alto, California; two at St. Louis, Missouri; Seattle, Washington; and two at Las Vegas, Nevada; and four national cemetery phases at Barrancas, Florida; Morovis, Puerto Rico; Dixon, California and Elmira, New York.
- Managed a large and complex inventory of 68 Major Construction projects valued over \$15 billion; 36 VHA Major Construction projects valued over \$14 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 32 NCA Major Construction projects valued over \$1 billion.
- Managed a large and complex inventory of Seismic Correction projects valued over \$2.4 billion.
- Awarded one 2010 Major Lease; two Choice Act 1.0 (2014) Major Leases; six Choice Act 2.0 (2017) Major Leases, including five from General Services Administration's Pilot Program; and one Minor Lease for a total lease contract value of \$925.9 million.
- Accepted eleven Choice Act 1.0 (2014) Major Leases; five Choice Act 2.0 (2017); and three Minor Leases providing over 1.1 million square feet of clinical space and 88,600

square feet of research and development space to support almost two million projected Veteran enrollees in the respective markets.

- CFM is continuing to improve the Major Lease Acquisition Lifecycle by initiating upfront design for 20 Major Leases prior to authorization with an intent to reduce the timeline for acquisition, delivery and acceptance. This upfront design is also anticipated for the additional 11 Major Leases seeking authorization in the 2023 Budget Request.
- CFM created 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 VHA and the Office of Operations, Security, and Preparedness finalized 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 for VA's State Home Construction Grant Program for 47 grants valued at \$561 million on the 2021 Priority List, 15 conditional grants valued at \$35.4 million on the 2020 Priority List and 38 CARES Act grants valued at \$153 million. CFM provided continuous programming, design and construction subject matter expert consultation to VA's Office of Geriatrics and Extended Care and the states requesting the construction grants.
- Provided subject matter expertise for codes/standards, accessibility, environmental and historical compliance to support the Office of Grants and Per Diem's Capital Grant Program for 2021 (\$50 million in Cares Act grant funding) and 2022 (\$75 million in American Rescue Plan Act grant funding).
- 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 100% of staff receiving Facility Engineering and Construction Certification.

Office of Acquisition, Logistics & Construction
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	200	304	304	304	-	0.0%
Field	175	267	267	269	2	0.7%
Total FTE	375	571	571	573	2	0.4%
Reimbursable obligations						
Personnel compensation	48,884	71,943	71,943	74,506	2,563	3.6%
Personnel benefits	18,169	26,028	26,028	27,094	1,066	4.1%
Travel	914	5,198	5,198	5,289	91	1.8%
Transportation of things	273	334	334	329	-5	-1.5%
Rents, communications and utilities	4,769	5,035	5,035	5,585	550	10.9%
Printing		3	3	29	26	866.7%
Other services	16,667	29,340	29,340	41,146	11,806	40.2%
Supplies and materials	59	239	239	334	95	39.7%
Equipment	25	527	527	41	-486	-92.2%
Subtotal, reimbursable obligations	89,758	138,647	138,647	154,353	15,706	11.3%
Total obligations	89,758	138,647	138,647	154,353	15,706	11.3%

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Veterans Experience Office

Mission

The Veterans Experience Office (VEO) supports the Department of Veterans Affairs (VA) as the Secretary's customer experience (CX) insight engine and a shared service to partner with, support and enable VA Administrations and Staff Offices to provide the highest quality CX in the delivery of care, benefits and memorial services to Service members, Veterans, their families, caregivers and survivors.

Vision

To leverage CX data, tools, technology and engagement to enable VA to be the leading CX organization in government, so Service members, Veterans, their families, caregivers and survivors choose VA.

VA is committed to providing the best experiences in its delivery of care, benefits and memorial services to Service members, Veterans, their families, caregivers and survivors. VA has established CX as a core capability in the Department through VEO and has permanently codified CX Principles as part of VA's Core Values and Characteristics in 38 C.F.R. § 0.603 and VA Directive 0010.

VEO is VA's lead organization for CX and reports directly to the Secretary, who has identified CX as a priority. 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 Service members, Veterans, their families, caregivers and survivors through actionable data and predictive analytics; concrete 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 previously designated as Lead Agency Partner for the President's Management Agenda Cross-Agency Priority (CAP) Goal on Improving Customer Experience with Federal Services from 2018-2020. VA is also a Priority Area Leader (PAL) for Priority Area 2 – Delivering Excellent, Equitable, and Secure Federal Services and Customer Experience for the most recently released President's Management Agenda. 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. In 2023 and beyond, VEO will continue to drive implementation of the

spirit and intent of this initiative to improve the public’s experience with government and applicable Executive Orders (EO) seeking to accomplish the same, including EO 13985, *Advancing Racial Equity and Support for Underserved Communities through the Federal Government*.

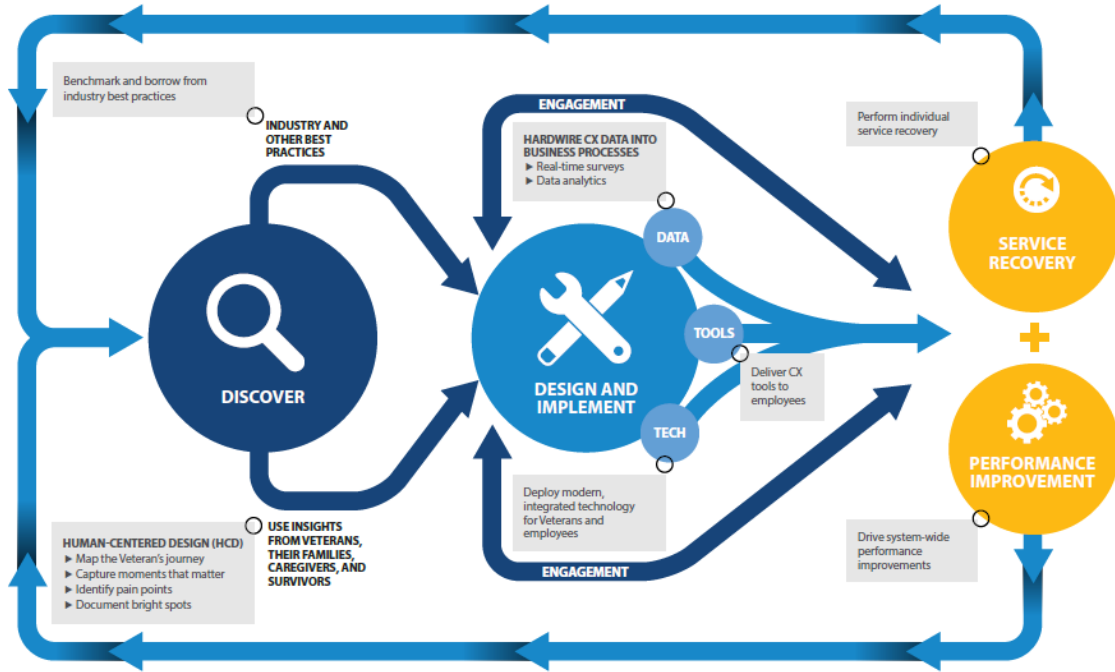


Figure 1 VA's CX Framework and Core Capabilities

Office of Veterans Experience
 Budgetary Resources
 (\$s in thousands)

Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	-	-	-	-	-	-
Reimbursable obligations	94,023	99,499	100,240	111,755	11,514	11.5%
Total obligations	94,023	99,499	100,240	111,755	11,514	11.5%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	-	-	-	-	-	-
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	-	-	-	-	-	-
Offsetting collections	94,023	99,499	100,240	111,755	11,515	11.5%
Subtotal, budget authority	94,023	99,499	100,240	111,755	11,515	11.5%
Total budgetary resources	94,023	99,499	100,240	111,755	11,515	11.5%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	-	-	-	-	-	-

Office of Veterans Experience
Summary of Budget Request
(\$s thousands)

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Reimbursable						
National HQ VEO Staff	10,404	12,548	12,548	10,509	-2,039	-16.2%
Portfolio Management	1,318	2,406	- ¹	- ¹	-	-
Veterans Experience Data: Enterprise Measurement & Design	17,186	14,005	16,411	21,405	4,994	30.4%
Veterans Experience Tools and Implementation	6,373	9,966	9,966	10,426	460	4.6%
Multichannel Technology	53,817	55,703	55,394	64,132	8,738	15.8%
Veterans, Family and Community Engagement	4,925	4,871	5,921	5,283	-638	-10.8%
Subtotal, reimbursable	94,023	99,499	100,240	111,755	11,515	11.5%
Total	94,023	99,499	100,240	111,755	11,515	11.5%
¹ Portfolio Management realigned to Veterans Experience Measurement & Design						

Office of Veterans Experience
Summary of FTE Request

Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Reimbursable						
National HQ VEO Staff	21	35	41	41	-	0.0%
Portfolio Management	8	13	- ¹	- ¹	-	-
Veterans Experience Data: Enterprise Measurement & Design	16	35	48	48	-	0.0%
Veterans Experience Tools and Implementation	35	51	48	48	-	0.0%
Multichannel Technology	63	134	181	181	-	0.0%
Veterans, Family and Community Engagement	20	23	25	25	-	0.0%
Subtotal, reimbursable	163	291	343	343	-	0.0%
Total	163	291	343²	343²	-	0.0%

¹ Portfolio Management realigned to Veterans Experience Data: Enterprise Measurement & Design

² FTE growth to support increased call volume for the Tier 1 Call Center/White House Hotline. In addition, the growth will support enterprise-wide costs for HCD, VA Trust/measurement, etc. and long-term strategy to reduce contract support to establish permanent resource without increase overall funding request

VEO is requesting \$111.8 million in reimbursable authority to support 343 FTE to accomplish its mission in 2023. VEO’s request will be derived from VA’s Administrations, the Veterans Health Administration (VHA), Veterans Benefits Administration (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.

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 \(https://www.va.gov/ve/docs/cx/customer-experience-accomplishments.pdf\)](https://www.va.gov/ve/docs/cx/customer-experience-accomplishments.pdf) which details 71 major VA initiatives to improve the experience for Veterans, their families, caregivers and survivors, as well as measurable improvements in Veteran trust in VA, which has increased more than 20% since VEO was established. In 2023, VEO will deliver key CX programs, including the development and sustainment of VA-wide real-time CX surveys, HCD research and journey maps; patient experience (PX) tools, training, 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 is continuing 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 \(https://www.va.gov/ve/docs/cx/customer-experience-cookbook.pdf\)](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, refine and expand the VA-wide Employee Experience (EX) program, modeled after VEO's established CX framework and leveraging proven data, tools, technology and engagement capabilities to build and support a positive culture of EX to enable the delivery of world class experiences to Veterans, their families, caregivers and survivors.

Program Description and Accomplishments

To fulfill its mission, VEO utilizes its CX framework and core capabilities to 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, PX 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, thus bringing the voice of the Veteran to the forefront. In 2023, VEO will continue to expand its in-house HCD capabilities and capacity to provide those services efficiently to the Department through project-based learning opportunities.

This data capability also provides quantitative information about Veterans' interactions with VA by capturing and analyzing CX input in real-time utilizing the Veterans Signals (VSignals) CX survey platform. VSignals was modeled after 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, their families, caregivers and survivors. Continuing to follow industry

best practices, VEO gathers multiple tiers of CX input to drive improved service delivery based on customer input through two types of surveys:

- ***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 has deployed surveys for 16 lines of business, sent 44.3 million surveys, and received 7.5 million survey responses from Veterans and 2.6 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 78%, representing a 23% increase between 2016 and 2021. Through CX survey data, VEO also deployed algorithms to detect free-text responses from Veterans at risk for suicide and homelessness. As a result, over 5,700 suicide alerts and more than 1,400 homelessness alerts have been immediately routed to the Veterans Crisis Line and National Call Center for Homeless Veterans for action. In response to the COVID-19 pandemic, VEO utilized VSignals 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 PX Program. Learning from industry leaders in health care, such as the UCLA Medical Center, Mayo Clinic, Cleveland Clinic and Beryl Institute, VEO will continue to enhance and deploy this comprehensive program, which infuses CX best practices into the day-to-day culture and operations at VHA facilities nationwide. Foundational PX 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 PX journey maps, an HCD assessment identifying 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, WE CARE Leadership Rounding, to improve PX. 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 133,000 VHA full-time employees have received this virtual or face-to-face training. Beginning in 2021, this training was customized to focus on non-clinical contact centers and VBA staff, which included standardized and customized material for interacting with stakeholders with numerous custom videos emphasizing CX concepts. Workshops will begin in 2022 and continue until all contact center personnel have received training. VEO will move forward with VBA staff using a train the trainer model.

Another tool, the Red Coat Ambassador Program, was launched to scale across VHA facilities in November 2017 after facility navigation was identified as a major pain point in the [VA Patient Experience Journey Map \(https://www.blogs.va.gov/VAntage/wp-content/uploads/2019/03/VA-Patient-Experience-Journey-Map.pdf\)](https://www.blogs.va.gov/VAntage/wp-content/uploads/2019/03/VA-Patient-Experience-Journey-Map.pdf) and has since been adopted by all VA health care 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. The Red Coat Ambassador Program contributed to a 7.5% improvement in Veterans scheduling appointments once they entered the VA health care system, increasing from 87.3% in April 2020 to 94.8% in April 2021. Additionally, employee PX badges were updated with color coding and easy to read information to orient Veterans to their care team and foster meaningful interactions. VEO is piloting this effort with Veterans Integrated Service Network (VISN) 1 for future national implementation.

VISN and facility interactive data deep dives with VHA leaders were conducted with 45 facilities, with 35 additional facilities in the process of scheduling, to review and discuss facility and clinical-level experience scores to identify bright spots and opportunities for improvement. Additional on-site PX consultation services began in 2020 with 60 site visits throughout VHA and continued in 2021 with 4 site visits and an additional 10 sites being scheduled. These consultative site visits begin with a PX deep dive and continues with focus groups, interviews and observations of employees and Veterans. Post site visit, facility leaders are provided an analysis which identifies targeted, low-effort and high-impact opportunities to improve their PX scores.

In 2021, following previous practices of creating off-the-shelf toolkits (tools for facilities to learn about an initiative that includes a startup guide, an estimated return on investment, the support and steps needed to implement, materials needed to implement, references and thank you notes), VEO published additional PX toolkits to improve the experiences of both Veterans and employees, to include Quiet at Night, a set of strategies for VA medical facilities to adopt to help patients receive uninterrupted rest within inpatient settings; Clinical Communication Coaching, which focuses on communication skill development between clinicians and patients; and The Lemonade Pledge, which focuses on positive patient experiences for all Veterans in all circumstances and encourages positive interactions between VA employees and patients. In addition to the toolkits, the Experience Data Set Training series was established to educate and motivate employees to utilize available experience-related data sets and reports. The 2021 training series included 10 webinar sessions with an average of 200 participants per live session and over 525 unique viewers of the entire live series. This resulted in over 200 participants pursuing a PX Data Certificate or PX Data Pro Certificate (to earn a certificate, participants must attend all 10 webinars and complete additional requirements establishing proficiency in the material) and over 70% of the participants report feeling comfortable or very comfortable with analyzing the covered data sets after the training.

These tools have been instrumental in achieving the improvement in Veterans' trust in VA and provided significant cost avoidance due to the delivery of VEO services in-house. Specifically, VHA outpatient trust increased by 4% (85% in 2017 to 89% in 2021). 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 inpatient 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 PX Program with VHA in-house by VEO, VA avoided at least \$30 million in costs had comparable services been procured through outside vendor support.

VEO will continue to apply these tools and developing others using its CX framework and HCD methodologies in support of VBA, NCA, BVA and other Staff Offices in 2023 and beyond. In November 2020, VEO published an update to the VA Welcome Kit with accompanying quick start guides (QSG) 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 QSGs 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 277,000 copies of the VA Welcome Kit, with an additional 1.6 million digital downloads in just the last two years. 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 efforts to expand knowledge of services available, in 2021, VEO created additional QSGs to assist Veterans, family members, caregivers and survivors with accessing the benefits and services offered to them through their state government (<https://www.va.gov/files/2020-11/state-benefits-quick-start-guide.pdf>), VA Vet Centers (<https://www.va.gov/files/2020-11/vet-center-services-guide.pdf>), and Office of Small and Disadvantaged Business Utilization. Additionally, other QSGs were developed to support available services and benefits for Veterans 65 years and older (<https://www.va.gov/files/2020-11/65-plus-veterans-quick-start-guide.pdf>) and LGBTQ+ Veterans. VEO continues work into 2022 to expand Veteran knowledge through development of QSGs for accessing VA's nutritional and Whole Health programs (<https://www.va.gov/files/2021-07/whole-health-quick-start-guide.pdf>). In collaboration with NCA, an outreach plan was developed with ongoing efforts to ensure Veterans, families, caregivers and survivors were aware of the published Apply for Burial in a VA National Cemetery and Memorial Products QSG (<https://www.va.gov/files/2020-11/burials-and-memorials-guide.pdf>), creating a service awareness whiteboard message for VHA facility waiting areas and video demonstrating how to properly place a VA medallion on a headstone or marker.

Moving into 2022, efforts to develop a Native American Veteran Journey map continue. Through these efforts VA will better understand the unique journey and access challenges to VA benefits and services, while identifying opportunities to improve existing programs, new opportunities for outreach and how to improve the overall experience for this historically underserved community ([Executive Order 13985](#) of January 20, 2021). These learnings can then be shared to all VA Administrations and Staff Offices, and VEO will help develop the pilot and solutions or inspire additional research within Administrations into 2023.

Veteran Experience Technology: Multi-Channel

VEO's multi-channel technology capability sponsors VA-wide, integrated technology solutions for Veterans and their families to make online and telephonic interactions with VA easier and on par with industry. This capability seeks to create a seamless 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 with 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.

VEO continues to work closely with the Office of Information Technology (OIT) to update and enhance VA.gov, which allows users access to self-service portal features to learn about benefits available and perform actions related to their benefits. In 2020, VEO assisted in the migration of eBenefits to VA.gov, empowering Veterans and their stakeholders to navigate the benefits process online and reduce the processing time for benefits. The site has logged over 8 million users in the previous 12 months and offers a companion mobile application used by almost 40% of users. The website provides two-factor authentication, decreasing fraudulent compensation and pension payments by 96%. Features of the mobile application include biometrics, push-notifications, and location and calendar integrations to allow users to complete simple transactional interactions across health and benefits. VEO continues to seek out ways to expand services and recently developed and deployed VA's first online debt management portal. The portal, as initially deployed, supported debts managed by the Debt Management Center, and VHA is exploring how to provide hospital related debt information online and how to arrange or negotiate payments through the portal.

In 2021, using HCD practices, VEO began efforts through the Enterprise Health Record Modernization (eHRM) Workstream Workgroup, in collaboration with VHA, OIT and OEHRM, to navigate a path for integrating the new electronic health record system patient-facing portal with VA.gov. These efforts will continue in 2022 and beyond to ensure seamless user access to current and future features available in VA.gov.

A critical part of the self-service portal is the development of VA Profile. VA Profile is a data management initiative that synchronizes Veteran data across VA's systems, thereby creating a comprehensive Veteran customer profile and a more unified customer experience. From their first interaction with VA, Veterans are "known" because of VA Profile, which now stores contact information for 15.7 million Veterans. VEO collaborated with OIT 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. VA Profile is also 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. Since July 2020, providers and Veterans have been able to communicate about mental health assessments through the MyHealth Checkup Mobile application that leverages VA Profile phone numbers and emails, enhancements will continue to be made into 2023. VA safeguards personally identifiable information and personal health information within information technology system, program, rulemaking or project through routine privacy threshold analysis and privacy impact assessment.

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, as well as provided a connection to the Veterans Crisis Line and the National Call Center for Homeless Veterans for quick access to services and support from caring and trained responders. To streamline telephone-based support and the 12,000 call center agents responding to over 18 million inbound calls, VEO worked to integrate telephone services to provide consistency across VA contact centers, enable efficiency and optimize resources. This integration streamlines VA's non-standard telephone system into a single telephone system across all VA Contact Centers and enables self-service information and options for frequently requested services. Implementation of MyVA411 (800-698-2411), a conversational interactive voice response (IVR) system makes calling VA more efficient as the toll-free number serves as a telephonic "front door" for Veterans to access information about VA benefits and services, connect to any VA Contact Center, or speak to a live agent 24 hours a day for personalized assistance. Future planned enhancement efforts include new capabilities that leverage artificial intelligence (AI) and bot technologies. These new capabilities will allow the caller to choose options from the menu utilizing speech and voice command technology to interact with the IVR when they call MyVA411.

To reduce or eliminate manual, repetitive processes and allow call center agents to focus on higher value actions for Veterans and their dependents, VEO is developing robotic process automation (RPA). RPA uses natural language processing, optical character recognition and AI to automate repetitive processes. The two levels of automation are planned based on business needs to include simple automation to review, handle or transfer data within and between systems, which may include rules-based decision making, and complex automation to review data between one or more systems that is programmed to include AI to help with advanced decision making.

In 2021 VEO began developing a VSignals Survey Enterprise Dashboard to provide VA Senior leadership with visibility of CX across all VA contact centers, consolidating CX survey data from 43 various contact centers across VA. Currently, 18 of the 43 contact centers are in the evolving dashboard, which represents approximately 35% of VA contact center call volume. Key metrics include overall trust, satisfaction and quality of service experience when interacting with contact centers. To ensure the dashboard conveys valid and consistent data, VEO continues efforts to expand standardized VSignals surveys. The Enterprise Contact Center Council standardized survey questions that Veterans receive after communicating with a contact center, allowing all participating contact centers to be evaluated on the same metrics, enabling better service recovery and an overall wholistic view of VA's CX.

VEO continues efforts to share accurate and consistent information with VA staff, Veterans, beneficiaries and the public through use of knowledge management, an online VA enterprise content management product. As of April 2021, the site had 122,555 total registered VA employees with 718,170 total session visits for March 2021. Knowledge management relays accurate and consistent information to Veterans, even outside of the primary area of expertise and provides answers to frequently asked questions regarding the American Rescue Plan Act stimulus bill. The site also provides contact center employees with an authoritative source of information and houses VA manuals and regulations that assist benefits claims processors in their daily work.

Veterans Experience Engagement: 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, with serving Veterans and their families where they are. 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. Between 2020 and 2021, VA leaders actively participated in community-led efforts to maximize the impact of local services, stakeholders and federal/state agencies working together to improve Veteran outcomes. VEO proudly supports CVEBs throughout the country, often in partnership with local VA facilities. Collectively, more than 15 million Veterans and 50 million Veteran family members, caregivers and survivors reside within CVEB catchment areas. Ongoing CVEB community collaboratives involving more than 300 partner organizations like VEO, VBA, VHA, NCA, Vet Centers, state and local government agencies and community stakeholders dramatically improve the experience for Veterans, family members, caregivers and survivors.

Through community engagement VEO also 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 care, benefits and services. In 2020 VEO pivoted from in-person VEACs to virtual VEACs in response to the COVID-19 pandemic. Virtual VEACs continued through 2021, serving an average of 516 Veterans per event. These unique events featured close collaboration between VA, State Departments of Veterans Affairs, and CVEB/community partners. Participants engaged directly with Veterans to evaluate and remedy a myriad of issues. VEAC events allow claims to be filed, updated and adjudicated; VA health care enrollments and appointments scheduled; and other assistance with care, benefits and memorial services provided depending on the needs of the individual – all at one time. Utilizing virtual VEACs, VEO began leading a two-year pilot (House Report 116-445, pg. 51 "VetsCorps") in 2021 with six states to conduct targeted outreach and engagement for underserved Veteran populations, leveraging existing peer-to-peer networks to increase access to VA care and improve mental health outcomes and prevent Veteran suicides. Through this pilot, VEO is working with state and community leaders, stakeholders, and strategic partners in coordination with VHA's Office of Mental Health and Suicide Prevention. The virtual VEACs in these states will provide connections to resources, enrollment in VA care, benefits and services, and mental health support. In 2023, VEO will continue to build the virtual VEAC capability in states around the country.

VEO also supports two Federal Advisory Committees (FACs), the Veterans' Family, Caregiver and Survivor Advisory Committee and Veterans and Community Oversight and Engagement Board (VCOEB) for the West Los Angeles Leasing Act. FACs are a key component of VA's overall strategy to achieve stakeholder and public engagement in its efforts and commitment to serve Veterans, their families, and Survivors. The Federal Advisory Committee Act (P.L. 92-463)

provides a mechanism for an advisory committee to operate as another component of the “people’s voice”.

Employee Experience

VEO leads VA’s effort to establish a world-class EX program and provide inclusive, responsive, equitable, and empathy-driven experiences for employees across their workforce life cycle as members of the VA family. Through this effort, VEO intends not only to strengthen EX, but also to directly impact the CX for Veterans, their families, caregivers, and survivors, consistent with VA’s I CARE Core Values and Customer Experience Principles by leveraging VEO’s proven CX framework and core capabilities.

In 2020, VEO and the Office of Human Resources/Operations, Security and Preparedness (HRA/OSP) led the effort to create the Federal Government’s first-ever [Employee Experience Journey Map](https://www.blogs.va.gov/VAntage/wp-content/uploads/2020/12/VA_Employee_Experience_Journey-Map_20201206.pdf) (https://www.blogs.va.gov/VAntage/wp-content/uploads/2020/12/VA_Employee_Experience_Journey-Map_20201206.pdf) as a step toward improving the experience of more than 420,000 VA employees. Modeled after the Journey of Veterans Map and harnessing HCD principles, the EX Journey Map captured more than 11,000 insights from a diverse set of VA employees (WG-SES, clinical, frontline, clerical, etc.) in 33 geographic areas. This effort identified five “phases”, 23 stages, and 30 moments that matter (bright spots and pain points) that a VA employee may encounter, from interest in employment with VA through separation.

Using critical insights from the EX Journey Map, VEO embarked on HCD deep dives to redesign two prioritized moments that matter – Onboarding and Developing My Career. These efforts have generated additional learnings which the team has used to develop prototype solutions to resolve pain points. The first deep dive project centered on the onboarding experience at VA Central Office (VACO) and Staff Offices. Through this work, VEO developed a VACO Onboarding Journey Map and Findings identified eight key insights. Two onboarding prototypes – an Official New Employee Welcome Package and a New Employee Buddy Program – were ultimately prioritized as high-potential solutions. VEO will design and produce a VACO Welcome Kit and pilot a New Employee Buddy Program that supports new employees and transfers during the onboarding phase of their VA journey, tools which can be scaled throughout the Department. Furthermore, learnings can be expanded across VA Administrations and inspire additional research within these administrations.

Finally, with the Department’s commitment and increasing attention to diversity, equity, inclusion and accessibility (DEIA), VA has an opportunity to be a first mover within the Federal Government to deploy an intersectional approach to examining and improving EX. Led by VEO, in partnership with HRA/OSP’s Office of Resolution Management, Diversity and Inclusion, the Identity Insights project will identify tangible opportunities for VA to focus on in order to improve EX within and across eight identity groups (LGBTQ+, women, Black/African American, individuals with disabilities, Hispanic, Asian American and Pacific Islander, American Indian and Alaska Native, and individuals born between 1946 and 1964). In 2023, the project will examine the experience of those identity groups across the six EX relationships that comprise VEO’s EX framework (work, people, place, technology, organization, well-being) to understand challenges, needs, pain points, and opportunities. After 32 weeks of “insight sprints” (two two-week sprints per identity group),

the team will gather data, organize insights, and use data visualization to indicate areas of frequency and intersectionality.

While VEO is running seven active pilot projects to improve EX, it is simultaneously developing an enterprise-wide, integrated EX strategy to sustain EX tools, technology and talent across VA. To inform a unified vision for EX at VA, during 2021, VEO captured needs and existing capabilities at VA and benchmarked commercial and government best practices. These inputs informed the development of the EX operational and governance model and organizational structure and are key inputs in the implementation plan. In 2023, VEO will move into the implementation phase associated with building out VA's EX infrastructure while continuing ongoing design of EX capabilities and services.

Budget Highlights

The 2023 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. The increased \$11 million from 2022 to 2023 is supporting VA's enterprise-wide CX capabilities and results have made the Department a leader in CX implementation in Government, and increased demand for VEO across all the catalogue of services. VEO will continue to drive collaborative CX improvement projects and programs to enhance CX, including through enterprise-wide initiatives such as 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 Tools and Implementation Programs, real-time CX surveys and HCD practice, and others. VEO's requested funding increase would ensure that CX program objectives are properly resourced to meet increasing demand. Additionally, an increased demand for HCD services has resulted in VEO taking the lead role on several new long-term strategic initiatives across VA.

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) as well as scaling advanced AI and automated toolsets and continue to build out the CX Data Warehouse.
- **Service-Level Measurement:** Expanding and maturing CX surveys and feedback collection opportunities across VA business lines in health care, benefits and memorial services 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. 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 the 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 continue to scale the model across the country.
- ***Veterans’ Families, Caregivers and Survivors 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 understanding the use of VA care and benefits services as well as factors that influence access, quality, and accountability for those services.
- ***VCOEB:*** The Board is established to coordinate locally with VA to identify the goals of the community and Veteran partnership; provide advice and recommendations to the Secretary to improve services and outcomes for Veterans, members of the Armed Forces, and families of such Veterans and members; and provide approved by the Secretary on January 28, 2016, and on the creation and implementation of any other successor master plans. VCOEB is a statutory committee established as required by Section 2(i) of the West Los Angeles Leasing Act of 2016 (P.L. 114-226) and operates in accordance with the provisions of the Federal Advisory Committee Act, as amended, Title 5, U.S.C., App.2.
- ***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 as well as working to integrate the website with the new electronic health record patient portal. 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.

Office of Veterans Experience
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	108	169	41	41	-	0.0%
Field	55	122	302	302	-	0.0%
Total FTE	163	291	343¹	343¹	-	0.0%
Reimbursable obligations						
Personnel compensation	21,462	34,426	35,291	36,975	1,684	4.8%
Personnel benefits	7,404	10,174	12,336	12,924	588	4.8%
Travel	129	1,500	1,500	1,789	289	19.3%
Rents, communications and utilities	1,690	1,500	-	755	755	-
Printing	180	150	-	-	-	-
Other services	63,054	51,600	51,113	59,312	8,198	16.0%
Supplies and materials	104	100	-	-	-	-
Equipment	-	50	-	-	-	-
Subtotal, reimbursable obligations	94,023	99,499	100,240	111,755	11,514	11.5%
Total obligations	94,023	99,499	100,240	111,755	11,514	11.5%

¹ FTE growth to support increased call volume for the Tier 1 Call Center/White House Hotline. In addition, the growth will support enterprise-wide costs for HCD, VA Trust/measurement, etc. and long-term strategy to reduce contract support to establish permanent resource without increase overall funding request



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 & Whistleblower Protection						
Budgetary Resources						
(\$s in thousands)						
Budgetary Resources	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Obligations						
Direct obligations	20,446	26,502	26,502	28,333	1,831	6.9%
Reimbursable obligations	-	-	-	-	-	-
Total obligations	20,446	26,502	26,502	28,333	1,831	6.9%
Budgetary resources						
Unobligated balance:						
Subtotal, unobligated balance	-	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	22,720	26,502	26,502	28,333	1,831	6.9%
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	22,720	26,502	26,502	28,333	1,831	6.9%
Offsetting collections	-	-	-	-	-	-
Subtotal, budget authority	22,720	26,502	26,502	28,333	1,831	6.9%
Total budgetary resources	22,720	26,502	26,502	28,333	1,831	6.9%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	2,274	-	-	-	-	-

Office of Accountability & Whistleblower Protection Summary of Budget Request (\$s thousands)						
Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Direct						
Office of Accountability and Whistleblower Protection	20,446	26,502	26,502	28,333	1,831	6.9%
Subtotal, direct	20,446	26,502	26,502	28,333	1,831	6.9%
Total	20,446	26,502	26,502	28,333	1,831	6.9%

Office of Accountability & Whistleblower Protection Summary of FTE Request						
Office	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE	%
Direct						
Office of Accountability and Whistleblower Protection	106	135	135	141	6	4.4%
Subtotal, direct	106	135	135	141	6	4.4%
Reimbursable						
Office of Accountability and Whistleblower Protection	-	-	-	-	-	-
Subtotal, reimbursable	-	-	-	-	-	-
Total	106	135	135	141	6	4.4%

Explanation of Changes

For 2023, OAWP is requesting \$28.3 million, which includes funding for 141 full-time equivalent employees (FTE). This is \$1.8 million above the 2022 President' Budget and includes realignment of funding within OAWP for an additional 6 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.

Executive Support Divisions:

- Stakeholder Engagement Division: Manages OAWP relationships with key internal and external stakeholders, to include Members of Congress, Congressional staff, other agencies of government, Veterans Service Organizations, whistleblower advocacy groups and the media. Oversees OAWP's Freedom of Information Act (FOIA) and Privacy Act (PA) programs.
- Quality Division: The Division manages OAWP's Quality Assurance Program and conducts audits and quality control reviews on OAWP's investigative processes, policies,

and procedures. The Division identifies gaps and deficiencies in how OAWP receives, reviews, refers, and investigates cases, and makes recommendations to leadership on corrective actions to improve OAWP investigative operations.

Management and Operations Directorate

The Management and Operations Directorate is led by the Chief of Staff who reports directly to the Deputy Assistant Secretary. The Management and Operations Directorate consists of two divisions:

- Resource Management and Operations Division: Has primary responsibility for overseeing Budget Operations; and Human Resources Operations.
 - Budget Operations oversees, manages, and advises on OAWP's budget, contracting and acquisitions, facilities and equipment/supplies, and travel.
 - Human Resources Operations oversees, manages, and advises on all OAWP human capital matters (i.e., recruitment initiatives, classification and position management, workforce planning, employee relations, performance management, awards and recognition, telework, etc.), employee learning and professional development, and employee engagement.
- 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. Information Systems Management collaborates with OAWP's divisions to develop metrics and provide statistical information in support of identifying trends or issues that provide VA insights to proactively address areas of concerns.

Investigations Directorate

The Investigations Directorate is led by an Executive Director for Investigations who reports to the Deputy Assistant Secretary for Accountability and Whistleblower Protection. The Investigations Directorate consists of three 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.
- 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 to the Deputy Assistant Secretary for Accountability and Whistleblower Protection. 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.

Recent Accomplishments:

Stakeholder Engagement

- OAWP made significant improvements in processing FOIA/PA requests, to include establishing standardized processes and trainings. This improved competency of the FOIA/PA analysts reduced processing times and resulted in elimination of a significant FOIA case backlog, to include closing all of the 10 oldest FOIA Requests as identified and tracked by the Department of Justice. OAWP FOIA reduced average processing time to 15 days, well under the 20-day standard for perfected requests. In FY 2021, 246 cases were processed and closed, with 23,033 pages reviewed and release determinations made. OAWP FOIA also processed more than 33,750 pages in support of litigation allowing the Department to negotiate with plaintiffs and potentially close a major case.

Quality Division

- The Quality Division has conducted several Quality Control Reviews to determine OAWP's compliance with its investigation processes. The Division has made recommendations for corrective action to identify gaps in processes. The Quality Division has also reviewed the Standard Operating Procedures of the Intake and Referral Division and the Investigations Division and is currently revising these SOPs to ensure compliance with OAWP's statutory mandate.

Resource Management and Operations Division

- Coordinated recruitment activities, which increased diversity and inclusion within the organization, exceeded VA's time-to-hire goals by 30%, and ensured OAWP's workforce possesses a variety of backgrounds, identities, and experiences.
- Facilitated annual employee engagement initiatives which improved workplace communications and employee satisfaction, as evidenced by OAWP's Employee Engagement Index score which increased from 36% in 2020 to 54% in 2021. Recognized for achieving one of VA's most improved AES scores.
- Established organizational hierarchy within the Human Resources Information System, leading to improve efficiencies, effectiveness, and collaboration.
- Significantly revamped OAWP's New Employee Orientation (NEO) and onboarding processes, improving employee understanding of the organization's functions and mission while also enhancing the onboarding experience for new hires.
- Developed and/or updated OAWP policies including but not limited to leave and work schedules, performance management, employee recognition, workplace flexibilities, telework, and employee training and development.

Information Systems Management

- Created and deployed a Communication Strategy Plan that revamped and modernized OAWP's Internet and Intranet sites. Developed and implemented a Digital Communication Hub for OAWP's internal use, to share information and improve team collaboration.
- Released the Partner Referral Portal, where case files are shared between VA entities allowing referral partners to upload documents and update referral case statuses in a secured environment. Further enhancements provided more stringent security protocols and established automated permissions and workflows.
- Developed the Executive Investigation Dashboard to better meet reporting requirements by improving the user interface and processing times, establishing new measures, and creating a data dictionary for reference and validation, as well as heatmaps for both current and historical data.
- Developed automated Complainant email notifications that provide a status on an investigator assignment of a Case at 30, 60, and 90-day intervals. In addition, the Complainant receives an initial email notification for all disclosures received through the Intake Portal.
- Created the Compliance Module, which allows the Compliance team to gather information on closed cases and provide data for statistical analysis and congressional reports.

Investigations

- During the last fiscal year, OAWP investigated more than 790 cases and referred more than 330 cases to VA offices for investigation.
- During the last fiscal year, OAWP issued 103 recommendations, including 43 disciplinary recommendations for senior leader misconduct and 27 disciplinary recommendations for supervisors involving whistleblower retaliation.
- In September 2020, OAWP improved its means of public access and communication with whistleblowers and complainants by developing and implementing a web-based disclosure and complainant portal, available on OAWP's website at www.va.gov/accountability. The portal allows individuals to submit whistleblower disclosures and complaints using any web-enabled device such as a tablet or smartphone. It also allows OAWP's Intake & Referral staff to more efficiently review disclosures and complaints that are received by OAWP. More than 40% of the whistleblower disclosures and complaints received by OAWP have come through the portal.
- During the last fiscal year, OAWP received a significant number of COVID-19 related whistleblower disclosures, most often highlighting the lack of social distancing in assigned work locations and patient waiting areas, lack of personal protective equipment and insufficient disinfectant procedures. To protect Veterans and employees, OAWP reviews COVID-19 allegations and notifies VA facilities, usually within one business day, about COVID-19 safety concerns while ensuring that the whistleblower or complainant's identity remains confidential. VA can then take immediate mitigation action to reduce the potential spread of COVID-19 and address underlying concerns.
- OAWP trained more than 355,000 employees and more than 35,000 supervisors on whistleblower rights and protections. Since December 2021, OAWP also trained 1,863 employees in interactive live sessions on whistleblower right and protections.

Compliance

- Initiated Whistleblower Settlement Agreement Tracking System to identify whistleblower disclosure claims released and waived by employees, former employees, and applicants.
- OAWP facilitated the issuance of Congressional notification letters to Congress on behalf of the Secretary when the recommended disciplinary action was not taken.
- OAWP issued Report and Planned Actions of the Secretary of Veterans Affairs to Address Implementation of Priority GAO Recommendations of the Department of Veterans Affairs, pursuant to the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 ("Megabus Act"), P.L. 116-315, § 7008.
- OAWP conducted Patient Care Trend Analysis and 38 U.S.C. § 323 (C)(1)(G) Intake Trend Analysis.

- OAWP recorded and tracked 5,765 recommendations made in 968 audit and investigative reports issued by GAO, OIG, OMI, and OSC.
- OAWP identifies trends from multiple data sources including OAWP disciplinary and non-disciplinary actions, OAWP Intake complaints, external audit and investigative reports, and OIG and OSC referrals.

Justification for 2023 request

OAWP requests 2023 funding of \$28.3 million, which includes funding for 141 full-time equivalent (FTE) employee.

The statute that established OAWP in 2017 identifies multiple tools by which VA can address accountability. To date, VA has focused on developing OAWP's investigative function, which currently uses the majority of OAWP resources. OAWP's non-investigative functions include providing advice to the Secretary on matters that are particular to the public trust (and the ability to issue reports and recommendations regarding same), authority to "record, track, review and confirm implementation of recommendations from audits and investigations" of OIG, GAO, OMI and OSC, and the ability for OAWP to conduct trend analysis regarding the same, as well as through use of other VA data sources. Effective use of these tools has the potential for OAWP to address accountability and whistleblower protection proactively, and to provide information to VA management regarding potential issues that can be addressed before they create problems. OAWP's 2023 request represents a measured, strategic growth strategy to identify the best use of these tools, and to begin to operationalize them.

Budget Increases

The 2023 request reflects an increase of \$1.8 million (above the 2022 enacted level), which consists of: \$0.7 million for non-pay inflation and a 4.6% pay raise for current staff; and \$1.1 million for an additional 6 FTE.

Office of Accountability & Whistleblower Protection
Employment and Obligation Classification

(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	6	10	10	10	-	0.0%
Field	100	125	125	131	6	4.8%
Total FTE	106	135	135	141	6	4.4%
Direct obligations						
Personnel compensation	13,891	17,431	17,431	18,667	1,236	7.1%
Personnel benefits	4,811	6,032	6,032	6,577	545	9.0%
Travel	6	444	444	442	-2	-0.4%
Transportation of things	2	5	5	5	-	6.0%
Rents, communications and utilities	203	170	170	173	3	2.0%
Printing		5	5	5	-	2.0%
Other services	1,376	2,284	2,284	2,330	46	2.0%
Supplies and materials	19	71	71	72	1	2.0%
Equipment	1	59	59	60	1	2.0%
Grants, judgements, interest and insurance	138					-
Subtotal, direct obligations	20,446	26,502	26,502	28,333	1,831	6.9%
Total obligations	20,446	26,502	26,502	28,333	1,831	6.9%



Asset and Infrastructure Review Commission

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, 2024: 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 2023 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 203, requires VA to develop criteria to be used in assessing and making recommendations regarding the modernization or realignment of its Veterans Health Administration (VHA) facilities to ensure effective and efficient access to high-quality health care and services for Veterans. Title II, Section 202 establishes an independent Presidential commission to be known as the "Asset and Infrastructure Review Commission" (the Commission) to review and assess VA's recommendations and provide a report to the President with its findings and conclusions. The Commission is authorized to meet only during calendar years 2022 and 2023. The Commission will conduct public hearings in regions affected by a VA recommendation to close a facility of the Veterans Health Administration. To the greatest extent practicable, the Commission will also conduct public hearings in regions affected by a VA recommendation to modernize or realign a facility.

The Commission is composed of nine members appointed by the President, by and with the advice and consent of the Senate. At the time the President nominates individuals for appointment to the Commission, the President also designates one member to serve as Chair of the Commission and one member to serve as Vice Chair of the Commission. The Commission is authorized to appoint a Director of Staff who, with the approval of the Commission, may appoint additional personnel for the Commission staff.

In March 2022, VA released its Asset and Infrastructure Review (AIR) report that includes recommendations by the VA Secretary to cement the department as the primary, world-class provider and coordinator of Veterans health care for generations to come.

The report's release marks the beginning of an in-depth deliberative process. The AIR report is the result of years of research and analysis intended to help VA build a health care network with the right facilities, in the right places, to provide the right care for Veterans, including underserved and at-risk Veteran populations in every part of the country—ensuring VA's facilities and services are accessible to Veterans in their communities.

The recommendations center around improving access to, and quality of, care for Veterans by ensuring the department's infrastructure in the decades ahead reflects Veterans' needs and 21st century design standards. VA is investing heavily in its number one asset—its employees, strengthening its public-private strategic partnerships and elevating its role as the leading health care research entity and the leading health care workforce training institution in the country.

VA looks forward to collaborating with the AIR Commission as it assesses these recommendations and transmits its own recommendations to the President.

Budget Detail

In 2023, VA requests \$5 million in appropriations for the Commission to carry out its duties:

- \$3.3 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.
- \$239,000 in travel expenses for travel to the field for hearings and commission members' travel to Washington, D.C. for commission meetings.

Asset and Infrastructure Review Commission
Employment and Obligation Classification
(\$s thousands)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	-	20	20	20	-	0%
Field	-	-	-	-	-	-
Total FTE	-	20	20	20	-	0%
Direct obligations						
Personnel compensation	-	2,389	2,389	2,500	111	5%
Personnel benefits	-	716	716	750	34	5%
Travel	-	384	384	239	-145	-38%
Printing	-	10	10	10	-	0%
Other services	-	1,500	1,500	1,500	-	0%
Supplies and materials	-	1	1	1	-	0%
Equipment	-	-	-	-	-	-
Subtotal, direct obligations	-	5,000	5,000	5,000	-0	0%
Total obligations	-	5,000	5,000	5,000	-0	0%

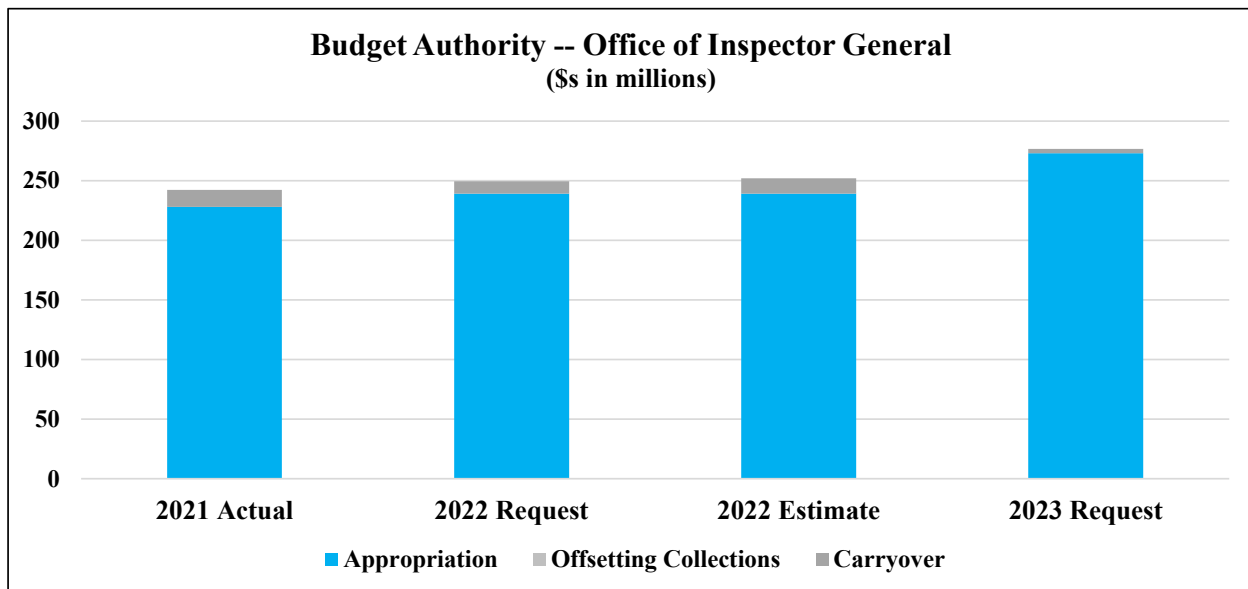
Note:

2022 FTE displayed here does not match the Budget Appendix because it assumed a full year Continuing resolution where VA Budget Request used its 2022 Request levels

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Office of Inspector General



(Dollars in Thousands)	2022	FTE	2023	FTE
Office of Inspector General				
Annual Appropriation	\$239,000	1,080	\$273,000	1,135
Net Carryover	\$13,000	-	3,716	-
Reimbursements	\$50	-	-	-
Total Budgetary Resources	\$252,050	1,080	\$276,716	1,135

Summary of Budget Request

The Office of Inspector General (OIG) requests \$273 million for 1,135 FTE in 2023 to fulfill statutory oversight requirements for all VA programs, services, and operations, including healthcare and benefits delivery, procurements and acquisitions, information technology and security, construction, leadership and governance, and financial stewardship. The budget supports a spectrum of audits, inspections, and reviews that identify potential improvements to VA program outcomes, strengthen the integrity of high-risk activities, and deter misconduct. These programs also support and enhance the OIG's capacity to detect criminal activity and conduct timely and thorough investigations when serious instances of fraud, waste, and abuse are discovered. The 2023 budget request encompasses the full cost of operational requirements anticipated for the year

and assumes that OIG will have no appreciable carryover from previous appropriations (regular or supplemental) to support staff or other business needs.

OIG oversight activities have yielded numerous findings and recommendations that translate into direct savings to the taxpayer. Since the start of fiscal year 2016 (see semiannual reports (*SARs*) issues 75 through 86), the OIG identified \$31.4 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. The OIG averaged a dollar return on investment of nearly \$36:1 during that time. During the last fiscal year, the OIG issued 337 reports, alternative work products, and other publications, addressing themes which undermine the efficacy of VA programs and services. These include administrative and leadership deficiencies that present significant barriers to the timeliness and quality of healthcare veterans receive, excessive payments for contracted services and poor acquisitions practices, lack of proper internal controls for fiduciary activities, security risks in information technology and financial systems, and inconsistent payments for benefits and allowances to veterans.

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, \$273,000,000 [\$239,000,000] of which not to exceed 10 percent shall remain available until September 30, 2024 [2023].

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 of VA operations. 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 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/pubs/VA-OIG-Mission-Vision-Values.

Strategic Plan and Goals

The OIG's [*Strategic Plan 2022–2026*](#) 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.

Goal 1. Help ensure veterans receive prompt access to exemplary health care

- Deficiencies in the Mental Health Care of a Patient who Died by Suicide and Failure to Complete an Institutional Disclosure, VA Southern Nevada Healthcare System in Las Vegas, [Report No. 20-02993-181](#), July 15, 2021.
- Traumatic Brain Injury Services and Leaders' Oversight at the Southeast Louisiana Veterans Health Care System in New Orleans, [Report No. 21-00669-176](#), June 30, 2021.
- VHA Needs More Reliable Data to Better Monitor the Timeliness of Emergency Room Care, [Report No. 20-01141-145](#), June 23, 2021.
- Improper Feeding of a Community Living Center Patient Who Died and Inadequate Review of the Patient's Care, VA New York Harbor Healthcare System in Queens, [Report No. 20-02968-170](#), June 22, 2021.
- Delay in a Patient's Emergency Department Care at the Malcom Randall VA Medical Center in Gainesville, Florida, [Report No. 20-03535-146](#), June 03, 2021.
- Deficiencies in Community Living Center Practices and the Death of a Patient Following Elopement from the Chillicothe VA Medical Center in Ohio, [Report No. 20-01523-102](#), May 06, 2021.

Goal 2. Make recommendations to facilitate the swift delivery of benefits and superior services**to eligible veterans, their families, and caregivers**

- Improper Processing of Automated Pension Reductions Based on Social Security Cost of Living Adjustments, [Report No. 20-03898-236](#), October 28, 2021.
- Improvements Still Needed in Processing Military Sexual Trauma Claims, [Report No. 20-0041-163](#), August 5, 2021.
- VBA's Fiduciary Program Needs to Improve the Timeliness of Determinations and Reimbursements of Misused Funds, [Report No. 20-00433-168](#), July 21, 2021.
- VBA Overpaid Veterans Due to Delays in Reducing Compensation Benefits, [Report No. 20-03229-155](#), July 08, 2021.
- VBA Did Not Consistently Comply with Skills Certification Mandates for Compensation and Pension Claims Processors, [Report No. 20-00421-63](#), March 3, 2021.
- VA Needs Better Internal Communication and Data Sharing to Strengthen the Administration of Spina Bifida Benefits, [Report No. 20-00295-61](#), February 23, 2021.

Goal 3. Identify and implement procedures and strategies for making the most responsible use of**VA's appropriated funds**

- Financial Efficiency Review of the Southeast Louisiana Veterans Health Care System in New Orleans, [Report No. 20-00971-235](#), September 20, 2021.
- Inadequate Financial Controls and Payments Related to VA-Affiliated Nonprofit Corporations, [Report No. 20-03704-165](#), July 08, 2021.
- VHA Made Inaccurate Payments to Part-Time Physicians on Adjustable Work Schedules, Report No. [20-01646-139](#), July 01, 2021.
- Veterans Cemetery Grants Program Did Not Always Award Grants to Cemeteries Correctly and Hold States to Standards, [Report No. 20-00176-125](#), June 24, 2021.

- Entitled Veterans Generally Received Clothing Allowance but Stronger Controls Could Decrease Costs, [Report No. 20-01487-142](#), June 15, 2021.
- Review of VHA's Financial Oversight of COVID-19 Supplemental Funds, [Report No. 20-02967-121](#), June 10, 2021.

Goal 4. Address failures in governance and leadership

- Improvements Needed to Ensure Final Disposition of Unclaimed Veterans' Remains, [Report No. 19-09592-262](#), December 15, 2021.
- Inadequate Oversight of Contractors' Personal Identity Verification Cards Puts Veterans' Sensitive Information and Facility Security at Risk, [Report No. 20-00345-77](#), June 29, 2021.
- Pathology Oversight Failures at the Veterans Health Care System of the Ozarks in Fayetteville, Arkansas, [Report No. 18-02496-157](#), June 02, 2021.
- Inadequate Resident Supervision and Documentation of an Ophthalmology Procedure at the Oklahoma City VA Health Care System in Oklahoma, [Report No. 20-03886-141](#), May 18, 2021.
- Care and Oversight Deficiencies Related to Multiple Homicides at the Louis A. Johnson VA Medical Center in Clarksburg, West Virginia, [Report No. 20-03593-140](#), May 11, 2021.
- Deficiencies in Leaders' Responses to Lapses in Reusable Medical Equipment Reprocessing at the Chillicothe VA Medical Center in Ohio, [Report No. 20-02265-100](#), May 06, 2021.

Goal 5. Encourage innovation and recommend enhancements to VA's infrastructure and systems

- VA Applications Lacked Federal Authorizations, and Interfaces Did Not Meet Security Requirements, [Report No. 20-00426-02](#), December 2, 2021.
- New Patient Scheduling System Needs Improvement as VA Expands Its Implementation, [Report No. 21-00434-233](#), November 10, 2021.
- Unreliable Information Technology Infrastructure Cost Estimates for the Electronic Health Record Modernization Program, [Report No. 20-03185-151](#), July 07, 2021.
- Improvements Needed in Adding Non-VA Medical Records to Veterans' Electronic Health Records, [Report No. 19-08658-153](#), June 17, 2021.
- Program of Comprehensive Assistance for Family Caregivers: IT System Development Challenges Affect Expansion, [Report No. 20-00178-24](#), June 08, 2021.
- Deficiencies in Reporting Reliable Physical Infrastructure Cost Estimates for the Electronic Health Record Modernization Program, [Report No. 20-03178-116](#), May 25, 2021.

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 IG and Deputy IG provide leadership and set strategic direction. The office includes congressional relations and public affairs staff who ensure that information is accurately and promptly released and that requests from legislators and reporters are appropriately addressed, staff responsible for electronic report distribution and

recommendation follow up, as well as a data modeling group that specializes in advanced analytics, information integration, and data visualization to inform oversight on emerging issues.

Office of Counselor to the Inspector General. The Office of the Counselor provides legal support for investigations, audits, reviews, and inspections; works with OIG investigators in developing qui tam and False Claims Act matters; provides counsel to OIG managers on legal and administrative matters, including contracting actions; represents OIG in employment litigation and personnel matters; and informs 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. The Office of Audits and Evaluations evaluate 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 Payment Integrity Information Act for Fiscal Year 2020 (PIIA);
- 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;
- 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;
- 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.

Office of Healthcare Inspections. The Office of Healthcare Inspections assesses VA's efforts to maintain a fully functional and high-quality healthcare program. Staff conduct inspections prompted by OIG Hotline complaints, congressional requests, and other leads; recurring inspections of VA facilities, healthcare systems, networks, and Vet Centers; 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 civil violations of law involving VA programs and operations. Staff focus on a wide range of matters including healthcare, procurement, benefits, construction, and other fraud; cybercrime and identity theft; bribery and embezzlement; drug offences; violent crimes; and threats against VA employees, patients, facilities, and computer systems.

Office of Management and Administration. The Office of Management and Administration provides comprehensive support to the OIG, including financial, personnel, budget, information technology, procurement, space and facilities, and data services. The office also oversees the OIG Hotline, which receives, screens, and refers all allegations and complaints for additional action.

Office of Special Reviews. The Office of Special Reviews conducts administrative investigations and increases the OIG’s flexibility and capacity to conduct prompt reviews of significant events and emergent issues not squarely within the focus of other OIG offices. This office undertakes projects in response to referrals from VA employees, the OIG Hotline, Congress, the Office of Special Counsel, veterans service organizations, and other sources. Staff work collaboratively with other OIG directorates to review topics of interest that span multiple disciplines.

Office / Directorate	Onboard Staff
Inspector General	22
Counselor to the Inspector General	35
Data and Analytics Group	35
Investigations	251
Audits and Evaluations	360
Management and Administration	124
Healthcare Inspections	253
Special Reviews	24
Grand Total	1,104
Note: The staffing levels reflected above are as of February 2, 2022, the beginning of pay period 04.	

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 other OIG senior leaders, senior Department executives, Members of Congress and their staff, and 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 85 and 86 which cover the period of October 1, 2020, to September 30, 2021. Current performance measures include

- Percentage of reports—audit, inspection, evaluation, contract review, and Comprehensive Healthcare Inspection Program reports—issued that identify opportunities for improvement;
- Percentage of recommendations implemented within one year that 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 evaluations;
- 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 investigations that result in criminal, civil, or administrative actions.

Examples of recent OIG oversight projects 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. Beginning in mid-2020, the OIG rapidly established a portfolio of oversight projects focused on the pandemic response, including audits, inspections, investigations, and other reviews. The OIG has published 33 pandemic-related reports through mid-February 2022. The examples below highlight work where the OIG

- Conducted a healthcare inspection at a VA Medical Center and substantiated that a Care in the Community (CITC) COVID Priority 1 cardiology consult was not scheduled in accordance with Veterans Health Administration (VHA) time requirements.¹⁵ The OIG made 8 recommendations related to CITC Improvement Action Plans, monitoring progress, clinical review processes, backlog management strategies, appointment scheduling, CITC staffing levels, and other clinical practices.
- Evaluated COVID-19 pandemic readiness and response at two VA Integrated Service Networks (VISNs) during the second quarter of fiscal year 2021 (January 1 through March 31, 2021).¹⁶ The evaluation covered emergency preparedness; supplies, equipment, and infrastructure; staffing; access to care; and community living center patient care and operations. The OIG also surveyed facility staff to solicit their feedback and potentially identify any problematic trends or issues that may require follow-up. The report provides data that illustrates the tremendous COVID-19-related demands on VA healthcare services.

¹⁵ VA OIG *Care in the Community Consult Management During the COVID-19 Pandemic at the Martinsburg VA Medical Center in West Virginia*. Report No. 21-01724-84, February 16, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-01724-84.pdf>

¹⁶ VA OIG *Comprehensive Healthcare Inspection of Facilities' COVID-19 Pandemic Readiness and Response in Veterans Integrated Service Networks 1 and 8*. Report No. 21-002969-20, November 18, 2021. <https://www.va.gov/oig/pubs/VAOIG-21-02969-20.pdf>

- Examined the reporting and monitoring of personal protective equipment (PPE) inventory. Specifically, in a February 2021 report, OAE assessed how VA reported and monitored PPE and swiftly developed processes and tools to gather data that would help VA navigate facilities' surging demand for PPE.¹⁷ As demand for PPE such as masks, gloves, and gowns drastically increased during the pandemic, VHA had to compete for PPE for its personnel and patients and then store and distribute it. OIG made recommendations to help VHA improve the accuracy and consistency of PPE inventory data. OIG's lessons learned in assessing PPE inventory were recognized by the Pandemic Relief Accountability Committee.
- Collaborated on an investigation with US Immigration and Customs Enforcement's Homeland Security Investigations and FBI on the owner of a wholesale pharmaceutical company who participated in a scheme to defraud healthcare providers, including VA, of more than **\$1.8 million** by acquiring and hoarding personal protective equipment during the pandemic.¹⁸ The total amount of designated scarce material billed to VA by the vendor was approximately **\$334,300**. The owner was indicted on charges of conspiracy to commit wire fraud and mail fraud, conspiracy to defraud the United States, conspiracy to commit hoarding of designated scarce materials, and hoarding of designated scarce materials.
- Collaborated on an investigation with Department of Homeland Security OIG and FBI on a chief executive officer of a government service provider who pleaded guilty to false statements, wire fraud, and theft of government funds. The defendant made false statements to VA and the Federal Emergency Management Agency to obtain contracts, which were valued at approximately **\$38 million**, to provide personal protective equipment during the pandemic.¹⁹ The defendant electronically submitted applications containing false information for Paycheck Protection Program funding and an Economic Injury Disaster Loan, which resulted in his receipt of approximately **\$1 million** in loans. He also submitted fraudulent DD Form 214 (certifying release or discharge from active military duty) to VA, and as a result, fraudulently received VA compensation benefits. The loss to the Small Business Administration is approximately **\$261,000** and the loss to VA is approximately **\$74,000**.
- Revealed that a terminated employee of the VA Puget Sound Healthcare System in Seattle, Washington, stole several pieces of medical equipment, to include ventilators and bronchoscopes, and then sold the stolen items online during the pandemic.²⁰ The defendant was sentenced to three months' incarcerations, nine months' home confinement with electronic monitoring, and three years' supervised release after pleading guilty to theft of government property. The defendant was ordered to pay **over \$132,000** in restitution to the VA.

¹⁷ VA OIG. *Reporting and Monitoring Personal Protective Equipment Inventory during the Pandemic*. Report No. 20-02959-62, February 24, 2021. <https://www.va.gov/oig/pubs/VAOIG-20-02959-62.pdf>

¹⁸ Department of Justice. *Businessman Charged in Scheme to Hoard Personal Protective Equipment and Price Gouge Health Care Providers*. <https://www.justice.gov/opa/pr/businessman-charged-scheme-hoard-personal-protective-equipment-and-price-gouge-health-care>

¹⁹ Department of Justice. *Former CEO Sentenced for Defrauding Multiple Federal Agencies*. <https://www.justice.gov/usao-edva/pr/former-ceo-sentenced-defrauding-multiple-federal-agencies>

²⁰ Department of Justice. *Veterans Affairs Respiratory Therapist sentenced to prison for stealing and selling medical supplies*. <https://www.justice.gov/usao-wdwa/pr/veterans-affairs-respiratory-therapist-sentenced-prison-stealing-and-selling-medical>

Electronic Health Records Modernization Oversight. Since April 2020, the OIG has published four reports and issued 27 recommendations on VA’s electronic health records modernization (EHRM) program. OIG repeatedly found unreliable and incomplete estimates for upgrades and costs, inadequate reporting affecting transparency to Congress, and stove-piped governance with decision making that does not appropriately engage VHA personnel who are the end users of the new electronic health record system. OIG’s recommendations are meant to help VA make modifications to its roadmap for future implementation efforts and address the risk for cascading failures, breakdowns, delays, and poor health care when deploying the new electronic health record (EHR) system nationwide. In these reports the OIG

- Determined that VA failed to resolve significant system and process limitations before or after implementing the new scheduling system at facilities which reduced effectiveness and risked delays in patient care.²¹ OIG recommendations included improvements to training, scheduler engagement, testing guidance on measuring patient wait times, and development of strategies to resolve identified issues.
- Identified weaknesses in how VA developed and reported cost estimates for IT infrastructure upgrades needed to support the new EHR system.²² OIG recommendations included the use of independent cost estimates, improved cost-estimating standards and guidance, and that VA ensure requirements for all IT infrastructure upgrades are disclosed in program life-cycle cost estimates presented to Congress.
- Found that critical physical and IT infrastructure upgrades had not been completed at VA facilities, which jeopardized the ability to properly deploy the new EHR system and increased risks of delays to the overall schedule.²³ OIG recommendations included establishment of an infrastructure-readiness schedule that incorporates lessons learned from DoD, revising the enterprise-wide deployment schedule to include realistic and achievable milestones, implementation of tools to monitor the status and progress of medical devices at the enterprise level, standardized infrastructure requirements in conjunction with VHA and the OIT, and ensuring physical security assessments are completed.

Monetary Benefits. During the past two SAR reporting periods, the OIG identified a monetary benefit of almost **\$4.9 billion** in 277 reports issued. For example, the OIG

- Conducted 109 contract reviews (preaward, postaward, & claim reviews) to help VA obtain fair and reasonable pricing on products and services. The OIG issued 250 recommendations, identified potential cost savings of almost \$616 million, and recovered nearly \$27 million in overcharges.²⁴

²¹ VAOIG. *New Patient Scheduling System Needs Improvement as VA Expands Its Implementation*. Report No. 21-00434-233, November 10, 2021. <https://www.va.gov/oig/pubs/VAOIG-21-00434-233.pdf>

²² VAOIG. *Unreliable Information Technology Infrastructure Cost Estimates for the Electronic Health Record Modernization Program*. Report No. 20-03185-151. <https://www.va.gov/oig/pubs/VAOIG-20-03185-151.pdf>

²³ VAOIG. *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>

²⁴ VA OIG. *Semiannual Report to Congress*, Issue 86, April 1, 2021-September 30, 2021. <https://www.va.gov/oig/pubs/sars/VAOIG-SAR-2021-2.pdf> and VA OIG. *Semiannual Report to Congress*, Issue 85, October 1, 2020-March 31, 2021. <https://www.va.gov/oig/pubs/sars/vaoig-sar-2021-1.pdf>

- Identified nearly **\$794 million** in estimated overpayments of VA benefits improperly paid to fugitive felons.²⁵
- Determined that a contractor responsible for administering VA's Patient-Centered Community Care and Veterans Choice programs retained overpayments received from VA.²⁶ The contractor agreed to pay **\$179.7 million** to the government to settle the case. Of this amount, VA will receive approximately **\$158 million**.
- Examined whether veterans received intended VHA Homemaker and Home Health Aide program services and whether VHA accurately processed program claims.²⁷ VHA lacked assurance that veterans received services and, as a result, may have made up to **\$145.4 million** in improper payments. In the sample of claims reviewed during the audit, the OIG found that VHA improperly paid an estimated **\$8.5 million** with at least **\$5.5 million** of this amount potentially recoverable. OIG made eight recommendations to VHA to address these issues, such as updating program policies and ensuring sufficient monitoring of claim payments.
- Found VHA has oversight weaknesses that led to Prosthetic and Sensory Aids Service staff improperly cloning consults.²⁸ VHA improperly issued an estimated **\$15.8 million** in prosthetic supplies during calendar year 2017.
- Determined that the VA did not report **\$2.5 billion** in IT upgrade costs to Congress because the Office of Electronic Health Records Management failed to consider costs that other VA program offices would need to incur in order to upgrade their IT systems to support the records management system.²⁹
- Reviewed Veterans Benefits Administration disability compensation claim management practices and found that delays in adjudicating benefits reductions or removals could lead to excessive payments of **\$232 million** over the next two years.³⁰

The table below summarizes additional information about monetary benefits of the OIG's work.

²⁵ Ibid.

²⁶ 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>

²⁷ VA OIG. *Homemaker and Home Health Aide Program: Most Claims Paid Correctly, but Opportunities Exist to Improve Services to Veterans*. Report No. 19-07316-262, November 23, 2020. <https://www.va.gov/oig/pubs/VAOIG-19-07316-262.pdf>

²⁸ VA OIG. *Insufficient Oversight for Issuing Prosthetic Supplies and Devices*. Report No. 18-00972-38, February 11, 2021. <https://www.va.gov/oig/pubs/VAOIG-18-00972-38.pdf>

²⁹ VAOIG. *Unreliable Information Technology Infrastructure Cost Estimates for the Electronic Health Record Modernization Program*. Report No. 20-03185-151. <https://www.va.gov/oig/pubs/VAOIG-20-03185-151.pdf>

³⁰ *VBA Overpaid Veterans Due to Delays in Reducing Compensation Benefits*, Report No. 20-03229-155, July 08, 2021. <https://www.va.gov/oig/pubs/VAOIG-20-03229-155.pdf>

Measure	Semiannual Report (SAR) Summary		
	Issue 85	Issue 86	Combined
Monetary Benefits (in millions)	\$1,923.4	\$2,945.1	\$4,868.5
Better Use of Funds	\$290.7	\$502.2	\$793.0
Fines, Penalties, Restitutions and Judgments	\$755.2	\$386.6	\$1,141.8
Fugitive Felon Program	\$251.3	\$542.2	\$793.5
Savings and Costs Avoidances	\$15.1	\$1,028.0	\$1,043.1
Questioned Costs	\$607.6	\$482.0	\$1,089.6
Recoveries	\$3.5	\$4.0	\$7.5
Cost of Operations	\$92.3	\$101.0	\$193.3
Return on Investment	21.1	29.1	25.1
Contract Review Only - Monetary Benefits	\$298.9	\$348.5	\$647.5
Preaward Potential Savings	\$286.4	\$329.4	\$615.8
Postaward Recoveries	\$8.2	\$18.6	\$26.8
Claim Reviews	\$4.3	\$0.6	\$4.8

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 recommended that VA take the following steps:

- Establish a group of VHA staff comprised of core user roles with expertise in VHA operations and Cerner electronic health record use with data architect level knowledge to lead the effort of generating optimized VHA clinical and administrative workflows, establish an electronic health record training domain that is readily available to all end users during and following training, ensure end users receive sufficient training time to impart the skills necessary, and ensure user role assignment process addresses facility leaders and staff concerns.³¹
- Ensure an independent cost estimate is performed for program life-cycle cost estimates related to information technology infrastructure costs, reassess the cost estimate for Electronic Health Record Modernization program-related information technology infrastructure and refine as needed to comply with VA's cost-estimating standards, and develop procedures for cost-estimating staff that align with VA cost-estimating guidance.³²
- Enhance training for providers and chaperones who conduct or provide support to patients during sensitive exams, improve the tracking of patient complaints, and expand staff education on policies and procedures related to administrative investigations to ensure that allegations of staff misconduct are appropriately addressed.³³
- Determine (1) the actions needed to ensure staff understand requirements for gathering evidence and verifying stressors for posttraumatic stress disorder claims (PTSD) claims and

³¹ VA OIG. *Training Deficiencies with VA's New Electronic Health Record System at the Mann-Grandstaff VA Medical Center in Spokane, Washington*. Report No. 20-01930-183, July 8, 2021. <https://www.va.gov/oig/pubs/VAOIG-20-01930-183.pdf>

³² VA OIG. *Unreliable Information Technology Infrastructure Cost Estimates for the Electronic Health Record Modernization Program*. Report No. 20-03185-151, July 7, 2021. <https://www.va.gov/oig/pubs/VAOIG-20-03185-151.pdf>

³³ VA OIG. *Misconduct by a Gynecological Provider at the Gulf Coast Veterans Health Care System in Biloxi, MS*. Report No. 20-01036-70, February 10, 2021. [Misconduct by a Gynecological Provider at the Gulf Coast Veterans Health Care System in Biloxi, Mississippi \(va.gov\)](https://www.va.gov/oig/pubs/VAOIG-20-01036-70.pdf)

(2) whether the adjudication procedures manual needs to be reorganized and amended to help staff process PTSD claims more accurately.³⁴

- Provide clarifying guidance and controls to clinic staff and purchasing agents, monitor facility compliance, perform inventory reviews of biologic implants, establish a structure for oversight responsibility, create policies and procedures for facilities to follow, and establish standardized systems and requirements for facility staff.³⁵
- Grant direct-hire authority, expediting the hiring process for Hybrid Title 38 occupations, to address severe shortages identified by the OIG Office of Healthcare Inspections' annual determination of VHA's occupational staffing shortages.³⁶

Investigative Actions. The OIG's criminal, civil, and administrative investigations led to 187 indictments, 195 convictions, and 314 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.

- Reta Mays, a former nursing assistant at the VA medical facility in Clarksburg, West Virginia, was sentenced to **seven consecutive life sentences for murdering seven veterans**.³⁷ She was also sentenced to an **additional 240 months for assault with intent to commit murder** for administering insulin to an eighth veteran with the intent to cause his death. Mays was employed as a nursing assistant at the medical center, working the night shift during the same period of time that the veterans in her care died of hypoglycemia while being treated at the hospital. Mays would sit one-on-one with patients and admitted to administering insulin to several patients with the intent to cause their deaths.
- Jonathan Dean Davis, the owner of Retail Ready Career Center, was sentenced to nearly 20 years in federal prison after being found guilty of seven counts of **wire fraud** and four counts of **money laundering** in the Northern District of Texas.³⁸ Davis was convicted of defrauding VA of **\$72 million** and misleading student veterans who attended the center's heating, ventilation, and air conditioning training course. Using the proceeds of his fraud, Mr. Davis purchased a \$2.2 million home in Dallas, a \$428,000 Lamborghini, a \$280,000 Ferrari, and a \$260,000 Bentley, among other things.
- A compound pharmacy owner in Texas, three marketers, a referring physician, and two clinic employees were charged with **health care fraud, conspiracy to pay and receive illegal kickbacks, and conspiracy to commit money laundering** in connection with a

³⁴ VA OIG. *Posttraumatic Stress Disorder Claims Processing Training and Guidance Need Improvement*. Report No. 20-00608-29, December 9, 2020. <https://www.va.gov/oig/pubs/VAOIG-20-00608-29.pdf>

³⁵ VA OIG. *Biologic Implant Purchasing, Inventory Management, and Tracking Need Improvement*. Report No. 19-07053-51, February 25, 2021. <https://www.va.gov/oig/pubs/VAOIG-19-07053-51.pdf>

³⁶ VA OIG. *Determination of VHA's Occupational Staffing Shortages, FY 2020*. Report No. 20-01249-259, September 23, 2020. <https://www.va.gov/oig/pubs/VAOIG-20-01249-259.pdf>

³⁷ Department of Justice. *Former VA Hospital Nursing Assistant Sentenced to Seven Consecutive Life Sentences for 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-sentenced-seven-consecutive-life-sentences>

³⁸ Department of Justice. *For-Profit Trade School Sentenced to Nearly 20 Years for Defrauding VA, Student Veterans*. <https://www.justice.gov/usao-ndtx/pr/profit-trade-school-sentenced-nearly-20-years-defrauding-va-student-veterans>

multi-million dollar scheme.³⁹ From May 2014 to September 2016, Pharr Family Pharmacy allegedly billed federal health care programs more than **\$110 million**, including claims that were false, fraudulent, and the result of illegal kickbacks.

- Susan K. Harris, 74, and William S. Harris, 60, were sentenced to **47 years** and **15 years in prison**, respectively, for **conspiracy to defraud** the United States and other financial crimes committed in connection with the operation of Ayudando Guardians, Inc.⁴⁰ This was a non-profit corporation that previously provided guardianship, conservatorship, and financial management to hundreds of people with special needs, including veterans. As president of the organization, Susan Harris unlawfully transferred money from client accounts to a comingled account without any client-based justification. The stolen funds were used to fund an extravagant lifestyle, including the purchases of homes, vehicles, luxury RVs, and cruises.
- A husband and wife were sentenced for their roles in a large-scale **kickback and bribery** scheme involving VA employees and vendors located in West Palm Beach and Miami.⁴¹ Earron and Carlichia Starks were vendors who sold supplies to the VA and paid kickbacks to VA employees in exchange for getting the VA's business. Earron Starks was sentenced to 30 months imprisonment (followed by three years of supervised release) and Carlichia Starks was sentenced to three years of supervised release. Eleven VA employees involved in the scheme were sentenced to incarceration, supervised release, or home confinement and were either terminated or resigned.
- A Louisiana doctor was indicted for his role in **distributing** over 1,200,000 doses of Schedule II controlled substances, including **oxycodone and morphine**, outside the scope of professional practice and not for a legitimate medical purpose, and for maintaining his clinic for the purpose of illegally distributing controlled substances.⁴² The indictment also charges the physician with **defrauding** health care benefit programs, including Medicare, Medicaid, and Blue Cross and Blue Shield of Louisiana, of more than **\$5.1 million**.

The table below summarizes the OIG's investigative actions.

³⁹ Department of Justice. *Seven charged for roles in a \$110 million compound drug scheme*. <https://www.justice.gov/usao-sdtx/pr/seven-charged-roles-110-million-compound-drug-scheme>

⁴⁰ Department of Justice. *Albuquerque couple sentenced to federal prison in Ayudando Guardians case*. <https://www.justice.gov/usao-nm/pr/albuquerque-couple-sentenced-federal-prison-ayudando-guardians-case>

⁴¹ Department of Justice. *Husband and Wife Sentenced in Large-Scale Fraud and Bribery Scheme Involving Two South Florida VA Hospitals*. <https://www.justice.gov/usao-sdfl/pr/husband-and-wife-sentenced-large-scale-fraud-and-bribery-scheme-involving-two-south>

⁴² Department of Justice. *Louisiana Doctor Indicted for Illegally Dispensing Over One Million Doses of Opioids and for \$5.1 Million Health Care Fraud Scheme*. <https://www.justice.gov/opa/pr/louisiana-doctor-indicted-illegally-dispensing-over-one-million-doses-opioids-and-51-million>

Measure	Semiannual Report (SAR) Summary		
	Issue 85	Issue 86	Combined
Investigative Actions			
Arrests	109	113	222
Fugitive Felon Arrests (OIG assisted)	5	19	24
Indictments	94	93	187
Criminal Complaints	21	24	45
Convictions	71	124	195
Pretrial Diversions and Deferred Prosecutions	6	13	19
Case Referrals to the Department of Justice	137	139	276
Administrative Sanctions and Corrective Actions (excl. Hotline)	81	233	314

Hotline Actions. The OIG’s Hotline continued to serve as the key conduit for allegations of fraud, waste, abuse, and mismanagement, prioritizing those having the most potential risk to veterans, VA programs and operations, or for which the OIG may be the only avenue for redress. During the two most recent SAR reporting periods, Hotline staff received and triaged 29,233 contacts—toll-free phone calls, web submissions, letters, and faxes—to help identify wrongdoing and concerns with VA programs and services (see table below). Further, the OIG opened 1,210 cases in response to Hotline contacts, substantiated 40 percent of related allegations, and prompted 1,067 administrative sanctions. The Hotline also issued more than 8,921 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 85	Issue 86	Combined
Contacts	14,129	15,104	29,233
Cases Opened	527	683	1,210
Cases Closed	636	521	1,157
Substantiation Percentage Rate	39%	41%	40%
Administrative Sanctions (Hotline)	571	496	1,067

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. The OIG grew its LinkedIn base to 48,500 followers, a 15% percent increase from the prior year, and published 456 updates to highlight reports, hiring activities, and other news that resulted in about 650,000 impressions (delivery to unique LinkedIn streams). In addition, the OIG had over 6,300 followers on Twitter, posted 371 tweets largely focused on reports and other OIG work that resulted in over 160,000 impressions. The OIG also published 23 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 128 inquiries and requests for quotes and interviews on the OIG’s oversight work to major news outlets, including *Dateline: NBC*, *New York Times*, *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 the murders of several veterans by a nursing assistant at the Clarksburg, West Virginia, VA Medical Center, the conviction of a former VA doctor for sexual assault and another for involuntary manslaughter, alleged VA senior leader retaliation against a veteran who claimed sexual assault at a VA medical center, ongoing COVID-19-related issues, and missteps in the initial implementation efforts involving electronic health record modernization.

Internal Improvements. During the last 18 months, the OIG has focused significant resources on modernizing its IT infrastructure to help improve operational efficiencies. The first step in this process was to elevate the Chief Information Officer (CIO) position to an executive level position and to hire an individual as the CIO who has extensive experience working in the OIG community and who understands the unique requirements associated with protecting an OIG's independence while using its parent agency's IT infrastructure. The next step was to restructure and increase the size of the OIG IT support organizations by creating distinct IT Divisions with specialized expertise in the areas of Enterprise Systems Management, IT Security, Applications Development, and Customer Service.

These changes are enabling the OIG to move to a cloud-based environment and bring online new tools that enhance the organization's eDiscovery program which increases the organization's oversight capabilities by increasing the OIG's ability to use the content of emails and other electronic communications to inform investigations and other oversight projects. These changes are also assisting the OIG in implementing a more sophisticated case management tool that will increase efficiencies associated with processing correspondence and complaints and conducting investigations. The OIG has also been able to implement an even more robust IT security posture that works in concert with the Department's security program.

In addition to the OIG's focus on IT efficiencies, the OIG has enhanced its efforts around Diversity, Equity, Inclusion, and Accessibility (DEIA). Over 150 VA OIG employees volunteered to participate on five DEIA subcommittees that identified recommendations associated with cultural events; hiring and recruiting; mentorship; executive performance; and training. The subcommittee recommendations resulted in 22 specific actions to be implemented by VA OIG in 2021 and in 2022. At the forefront of these action items was the appointment of a Chief DEIA Officer, which was accomplished in April 2021. To support the Chief DEIA Officer and to address several additional action items, VA OIG hired four employees to focus on issues designed to ensure that all VA OIG employees believe that they are a valued and integral part of the organization.

Budget Highlights

The 2023 budget request can support 1,135 FTE under current inflation assumptions and pay trends. The budget includes funding for a 4.6 percent pay raise and commensurate locality adjustments, career ladder promotions, within-grade increases, and historical increases in agency benefits contributions, such as health insurance, social security, and retirement. The request annualizes the scope of appropriated funding with fiscal year operations and reflects a \$17.9 million increase in total operational costs over the current estimate. Since the OIG will have executed all prior year carryover (\$13 million) and supplemental resources (\$10 million) at the close of 2022, there is a considerable resource gap that must be replaced with annual appropriations in 2023 to sustain recent hires and investments, including work to oversee pandemic-related

programs. Accordingly, the 2023 appropriation request is \$34 million above the anticipated budget for 2022. Historically, the OIG has been able to quickly scale its operations to execute additional funds provided through the appropriations process. For example, in 2021, the OIG hired more than 150 new employees to match increases in its appropriations, to include supplemental funding.

The OIG budget supports highly trained and experienced staff who understand the complexity of VA programs and services. Despite these significant responsibilities, the OIG’s annual appropriation request has consistently averaged less than 0.1 percent of the total VA budget. Similarly, in terms of FTE, the VA to OIG staffing ratio (based on the 2022 Budget projections) is approximately 387:1. The VA OIG also has proportionally lower funding and staffing levels when compared with other OIGs for large executive branch agencies (see table below). In addition, the OIG’s budget addresses space and technology requirements that cannot be leveraged through VA or other federal partners.

2022 Staff and Resource Comparisons for Selected Inspectors General*						
OIG	Funding (\$M)			FTE		
	Agency	OIG	OIG % of total	Agency	OIG	FTE Ratio
Commerce	\$11,552	\$47	0.40%	43,608	187	233:1
Treasury	\$18,693	\$42	0.23%	95,804	190	504:1
Interior	\$27,455	\$66	0.24%	67,026	283	237:1
Justice	\$42,983	\$137	0.32%	117,954	539	219:1
Housing and Urban Development	\$68,700	\$147	0.21%	7,971	535	15:1
Homeland Security	\$90,811	\$205	0.23%	240,370	760	316:1
Transportation	\$88,085	\$103	0.12%	54,684	414	132:1
Agriculture	\$198,100	\$110	0.06%	99,365	450	221:1
VA	\$269,862	\$239	0.09%	425,428	1,100	387:1
Health and Human Services	\$1,631,000	\$430	0.03%	81,461	1,649	49:1

* Resource comparison references 2022 President’s Budget requests (not enacted appropriations or supplementals). The VAOIG ranked 8th in funding ratios among surveyed agencies.

The funding requested for 2023 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. To that end, \$273 million for 2023 would fund an additional 19 FTE to support recent mandates and enhanced oversight of high-risk programs. Anticipated areas for increased attention in 2023 include

- Toxic exposures,
- Mental health and women’s health,
- Major IT modernization, including EHRM, Defense Medical Logistics Standard Support, and Integrated Financial and Acquisition Management Systems implementation,
- Financial benchmarking at VHA facilities,
- Community care/Mission Act,
- Vet Centers, and
- Leadership and governance.

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 2023 budget request to VA is \$273 million to support 1,135 FTE and other initiatives. This includes the amounts that the Inspector General certifies to fulfill known requirements to support the Council of Inspectors General on Integrity and Efficiency (\$982,800) and OIG employee training (\$1,900,000), including training to address continuing education requirements and mandatory training for law enforcement officers. In addition, OIG requests that \$4,700,000 be set aside in the 2023 VA Minor Construction appropriation request to support OIG-specific projects. In addition to supporting 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 office space to accommodate increased staffing levels in Bay Pines, FL; Dallas, TX; and San Diego, CA.

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 will be increasingly limited as pandemic-related restrictions are lifted. To the extent possible, the OIG has reprogrammed identified efficiencies back into operations to sustain the level of oversight.

Office of Inspector General
Summary of Employment & Obligations - Total Budgetary Resources
(Ss in thousands, FTE)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Average employment:						
Headquarters functions	237	253	256	261	5	
Operations functions	795	847	860	874	14	
Total employment	1,032	1,100	1,116	1,135	19	1.7%
Obligations						
Personnel compensation and benefits	\$192,551	\$211,835	\$215,286	\$228,940	\$13,654	6.3%
Travel/vehicles	\$1,695	\$6,790	\$2,900	\$7,100	\$4,200	144.8%
Transportation of things	\$57	\$75	\$75	\$60	(\$15)	-20.0%
Rents, communications, and utilities	\$11,982	\$13,605	\$12,266	\$13,500	\$1,234	10.1%
Printing and reproduction	\$25	\$26	\$25	\$26	\$1	4.0%
Other services	\$18,417	\$20,824	\$24,670	\$21,030	(\$3,640)	-14.8%
Supplies and materials	\$1,512	\$800	\$452	\$380	(\$72)	-15.9%
Equipment	\$2,603	\$5,193	\$2,655	\$5,175	\$2,520	94.9%
Insurance	\$0	\$5	\$5	\$5	\$0	0.0%
Total obligations	\$228,842	\$259,152	\$258,334	\$276,216	\$17,882	6.9%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$2,302	\$10,000	\$10,000	\$0	(\$10,000)	-100.0%
Unobligated balance transfers between expired and unexpired accounts	\$14,200	\$10,452	\$13,000	\$3,716	(\$9,284)	-71.4%
Subtotal, unobligated balance	\$16,502	\$20,452	\$23,000	\$3,716	(\$19,284)	-83.8%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$238,000	\$239,000	\$239,000	\$273,000	\$34,000	14.2%
Unobligated balance of appropriations permanently reduced*	(\$1)					
Subtotal, appropriation	\$237,999	\$239,000	\$239,000	\$273,000	\$34,000	14.2%
Offsetting collections	\$97	-	\$50	-	(\$50)	
Subtotal, budget authority	\$238,096	\$239,000	\$239,050	\$273,000	\$33,950	14.2%
Total, budgetary resources	\$254,598	\$259,452	\$262,050	\$276,716	\$14,666	
Unobligated balance expiring	(\$2,757)	(\$300)	(\$3,716)	(\$500)	\$3,216	-86.5%
Unexpired unobligated balance	(\$3,000)	\$0	\$0	\$0	\$0	

* Spectrum Relocation Fund

Office of Inspector General
Summary of Employment & Obligations - Regular Appropriations
(\$s in thousands, FTE)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Average employment:						
Headquarters functions	234	245	248	261	13	
Operations functions	785	819	832	874	42	
Total employment	1,019	1,064	1,080	1,135	55	5%
Obligations						
Personnel compensation and benefits	\$190,250	\$204,657	\$208,108	\$228,940	\$20,832	10.0%
Travel/vehicles	\$1,695	\$6,790	\$2,900	\$7,100	\$4,200	144.8%
Transportation of things	\$57	\$75	\$75	\$60	(\$15)	-20.0%
Rents, communications, and utilities	\$11,982	\$13,605	\$12,266	\$13,500	\$1,234	10.1%
Printing and reproduction	\$25	\$26	\$25	\$26	\$1	4.0%
Other services	\$18,417	\$18,002	\$21,848	\$21,030	(\$818)	-3.7%
Supplies and materials	\$1,512	\$800	\$452	\$380	(\$72)	-15.9%
Equipment	\$2,603	\$5,193	\$2,655	\$5,175	\$2,520	94.9%
Insurance	\$0	\$5	\$5	\$5	\$0	0.0%
Total obligations	\$226,542	\$249,152	\$248,334	\$276,216	\$27,882	11.2%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$1					
Unobligated balance transfers between expired and unexpired accounts	\$14,200	\$10,452	\$13,000	\$3,716	(\$9,284)	-71.4%
Subtotal, unobligated balance	\$14,201	\$10,452	\$13,000	\$3,716	(\$9,284)	-71.4%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$228,000	\$239,000	\$239,000	\$273,000	\$34,000	14.2%
Unobligated balance of appropriations permanently reduced*	(\$1)					
Subtotal, appropriation	\$227,999	\$239,000	\$239,000	\$273,000	\$34,000	14.2%
Offsetting collections	\$97		\$50		(\$50)	
Subtotal, budget authority	\$228,096	\$239,000	\$239,050	\$273,000	\$33,950	14.2%
Total, budgetary resources	\$242,297	\$249,452	\$252,050	\$276,716	\$24,666	8.9%
Unobligated balance expiring	(\$2,757)	(\$300)	(\$3,716)	(\$500)	\$3,216	
Unexpired unobligated balance	(\$13,000)					

* Spectrum Relocation Fund

Office of Inspector General
Summary of Employment & Obligations - Supplemental Appropriations
(\$s in thousands, FTE)

	2021 Actual	2022 Request	2022 Estimate	2023 Request	2023 Request vs 2022 Estimate	
					\$	%
Average employment:						
Headquarters functions	3	8	8	0	-8	
Operations functions	10	28	28	0	-28	
Total employment	13	36	36	0	-36	
Obligations						
Personnel compensation and benefits	\$2,301	\$7,178	\$7,178		(\$7,178)	-100.0%
Travel/vehicles						
Transportation of things						
Rents, communications, and utilities						
Printing and reproduction						
Other services		\$2,822	\$2,822		(\$2,822)	-100.0%
Supplies and materials						
Equipment						
Insurance						
Total obligations	\$2,301	\$10,000	\$10,000	\$0	(\$10,000)	-100.0%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$2,301	\$10,000	\$10,000		(\$10,000)	-100.0%
Unobligated balance transfers between expired and unexpired accounts						
Subtotal, unobligated balance	\$2,301	\$10,000	\$10,000	\$0	(\$10,000)	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$10,000					
Unobligated balance of appropriations permanently reduced						
Subtotal, appropriation	\$10,000	\$0	\$0	\$0	\$0	
Offsetting collections						
Subtotal, budget authority	\$10,000	\$0	\$0	\$0	\$0	
Total, budgetary resources	\$ 12,301	\$ 10,000	\$ 10,000	\$0	\$ (10,000)	
Unobligated balance expiring						
Unexpired unobligated balance	\$10,000					

Net Change and Employment Tables

The following table summarizes the changes in resource requirements between the 2022 enacted budget and the 2023 request.

<i>Net Change</i> <i>Office of Inspector General</i> <i>2023 Summary of Resource Requirements</i> <i>(dollars in thousands)</i>		
	<u>BA</u>	<u>FTE</u>
2022 President's Budget	\$239,000	1,116
Net Carryover Execution/ Normalization of annual appropriation baseline	\$19,284	
Reimbursements	\$50	
2022 Obligations Baseline	\$258,334	1,116
2023 Current Services Increases:		
Pay raise (4.6%, annualized)	\$7,427	
Change in Staff Composition / Benefits Increases	\$3,219	
Compensable day change (261 to 260 days)	-\$825	
Nonpay Inflation (2.0%)	\$861	
Information Technology, Space, Travel, and Other Services Increases	\$3,367	
Subtotal	\$14,050	0
	\$272,384	1,116
% Change over 2022 Obligations Base	5%	0%
OIG Staffing Plan	\$3,832	19
2023 Obligations Baseline	\$276,216	1,135
Net Carryover Execution	-\$3,216	
Net BA Requirements	\$273,000	1,135
Efficiencies / Offsets*	\$0	0
Subtotal	\$0	0
2023 Total Request:	\$273,000	1,135
% Change over FY22 obligations baseline	6%	2%
% Change over FY22 Request	14%	2%
* 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.

Office of Inspector General Employment Summary Full Time Equivalent (FTE) by Grade				
Grade	2021 Actual	2022 Request	2023 Request	Increase (+) Decrease (-)
IG/SES	17	20	24	4
Senior-Level (SL)	10	10	20	10
GS-15	123	133	134	1
GS-14	258	279	280	1
GS-13	518	560	563	3
GS-12	54	58	58	0
GS-11	28	30	30	0
GS-10	0	0	0	0
GS-9	19	21	21	0
GS-8	1	1	1	0
GS-7	4	4	4	0
GS-6	0	0	0	0
GS-5	0	0	0	0
GS-1 to GS-4	0	0	0	0
Total, FTE	1,032	1,116	1,135	19

Office of Inspector General Analysis of 2021 Actual FTE Distribution		
Grade	Headquarters	Operations
IG/SES	17	0
Senior-Level (SL)	2	8
GS-15	28	95
GS-14	59	199
GS-13	119	399
GS-12	12	42
GS-11	6	22
GS-10	0	0
GS-9	4	15
GS-8	0	1
GS-7	1	3
GS-6	0	0
GS-5	0	0
GS-1 to GS-4	0	0
Grand Total FTE	248	784

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:

	PY 2021 (Actual)	CY 2022 (Estimates)	BY* 2023 (Estimates)
3a) Number of Physicians Receiving PCAs	20	21	21
3b) Number of Physicians with One-Year PCA Agreements			
3c) Number of Physicians with Multi-Year PCA Agreements	20	21	21
4a) Average Annual PCA Physician Pay (without PCA payment)	177,589	183,000	189,000
4b) Average Annual PCA Payment	24,800	26,190	27,333

*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 or transferring from a Title 38 position at VA to a Title 5 position at the OIG. However, the OIG continues to face challenges to recruit and retain physicians. In 2021, OIG recruited two new Medical Officers. OIG currently has a cadre of 20 Medical Officers and is working to hire one additional Medical Officer. The OIG has increased retention of its Medical Officers, as there were two resignations in 2019, one in 2020, and none in 2021.

- 6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

One of OIG's major, statutorily-required 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 2021, OIG published 41 comprehensive healthcare inspections, 44 hotline healthcare inspections, and 14 national healthcare reviews, in addition to reviewing 4,455 clinically focused hotline referrals. This work illustrates a need to retain medical officers, as OIG has a need for their specific skill set in evaluating VA's provision of healthcare and reviewing the work of our inspectors.

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***Office of Acquisition and Logistics/Office
of Procurement, Acquisition and Logistics:
Supply Fund***

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 Department of Veterans Affairs’ (VA) 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 serving the VA mission.

Budget Summary

The Supply Fund is a self-sustaining, revolving fund that supports the operation of a supply system at VA, 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.

**Supply Fund
Summary of FTE and Obligations
(\$ thousands)**

Resources	2021 Final	2022 Estimate	2023 Request
FTE	1019	1,300	1,273
Obligations:			
Operating	\$350,449	\$431,169	\$438,497
Merchandising	\$999,866	\$1,668,831	\$1,661,503
Total Obligations	\$1,350,315	\$2,100,000	\$2,100,000
Outlays (Net)	\$50,096	-\$12,394	-\$19,165

Program Description and Accomplishments

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)⁴³. The Supply Fund is also the funding source for the Office of Small and Disadvantaged Business Utilization (OSDBU).

OAL manages the VA Acquisition Management Program (AMP) **Acquisition and Logistics Management (A&LM) and Oversight** — provides support/services to oversee and manage acquisition and logistics activities VA-wide focusing on the end-to-end lifecycle. The component offices under OAL carrying out the oversight and management are **Acquisition Program Support (APS)**; **Logistics Supply Chain Management (LSCM)**; **Procurement Policy Oversight and Systems (PPSO)**; and the **VA Acquisition Academy (VAAA)**.

The areas of responsibilities as required by the Service Acquisition Reform Act fall into 4 pillars:

- *Acquisition Workforce Development* – Build, enable, and sustain a knowledgeable workforce that can execute on the acquisition business needs of the Department.
- *Policy Development Management* - Building on federal mandates, develop and manage the direction of acquisition and logistics policy for the Department, ensuring compliance when making decisions.
- *Organizational Acquisition and Logistics Strategies* - Providing support and monitoring the performance of Department acquisition activities related to various federal initiatives. Conducting internal control reviews of the acquisition function in accordance with Office of Management and Budget (OMB) Circular A-123 – Acquisition Framework.
- *Acquisition Systems Management* - Managing the collection and exchange of acquisition data using technology to create transparency, accountability, data driven decisions, and acquisition lifecycle reform -- leading to improvements in the exchange of information between the Government and the public.

OAL leads the VA A&LM modernization initiatives, applying proven federal and industry programmatic methodologies intentionally aligning the VA AMP with the VA Strategic Priority to modernize business processes and business systems and the OALC Strategic Framework.

OPAL enables our customers to provide best value business solutions to Veterans and their families. We provide a broad spectrum of acquisition services, category management oversight and logistics support operations to VA customers and Other Government Agencies (OGA) through the following support locations: Washington, District of Columbia; Hines, Illinois, Golden, Colorado, Eatontown, New Jersey; Austin, Texas; Fredericksburg, Virginia; and Frederick, Maryland.

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:

⁴³ 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.

OPAL Front Office Operations with its staff of senior acquisition and business professionals, manages the overall accountability and control over the contracting activities and works to resolve acquisition issues across the OPAL enterprise. OPAL's Front Office staff seeks to ensure that the customers supported by OPAL, our internal staff, vendors, contractors, or other interested parties have a venue to raise concerns and seek assistance when they have questions about the acquisition process.

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 for VA and OGAs to use. NAC also develops and maintains national contracts associated with Pharmaceuticals; Prosthetic & Orthotics soft goods and devices including hearing aids; telehealth devices; Continuous Positive Airway Pressure (CPAP) devices and supplies; Burial Flags; High Tech Medical Equipment systems; Laundry Equipment; and Prime Vendor Distribution Programs for Pharmaceuticals and Subsistence (food and supplies). NAC provides hearing aid repair services, precious metal recovery, and medical scope repairs.

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 information and technology solutions for VA and OGAs.

Strategic Sourcing Acquisitions—The **Strategic Acquisition Center (SAC)** provides innovative acquisition and business solutions that leverage VA's spending to deliver critical supplies and services via enterprise contract vehicles for use by VA and OGAs.

Office of Small and Disadvantaged Business Utilization

An organizational element within the Office of the Secretary of Veterans Affairs who is the principal liaison to the Small Business Administration (SBA) and other Federal agencies for matters dealing with small and disadvantaged business activities. OSDDBU's mission is to enable Veterans to gain access to economic opportunities by developing policies and programs, informed by customer feedback, that improve market research, increase direct access and maximize the participation of procurement ready Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) in Federal contracting.

Closely related to the Supply Fund mission of operating and maintaining a VA system of supply, OSDDBU's activities assist VA contracting personnel with applying small business program requirements; ensuring SDVOSBs and VOSBs are properly verified as eligible for VA's Veterans First contract awards; providing small businesses with access to procurement decision-makers for insight into upcoming contracting opportunities; and related functions under the Small Business Act.

OSDBU activities are focused in support of small businesses and other stakeholders. They provide verification of eligibility for VA's Veterans First Contracting Program in support of SDVOSBs and VOSBs; extend eligibility for set-asides and sole source contracts to SDVOSBs and VOSBs; and ensure businesses meet SBA and VA requirements and are eligible for designation as SDVOSBs and VOSBs. Businesses meeting the eligibility requirements are maintained in the

Vendor Information Pages database of verified SDVOSBs and VOSBs. OSDBU provides acquisition support to access VA's Forecast of Contracting Opportunities, oversees and reviews VA subcontracting, provides overall direction on small business program policies and procedures, and works with contracting teams to help small businesses maximize VA procurement opportunities.

They also enhance the ability of VA program offices to conduct effective and efficient market research through the deployment of a range of enabling processes, tools, and technologies. In addition they manage the Veteran Business web portal (VetBiz) to provide quick and easy on-line access to information, resources, and applications to assist SDVOSBs, VOSBs, other small and large businesses, and acquisition professionals. OSDBU assists small businesses in resolving payment or other contracting issues with VA.

OSDBU plans and implements the Direct Access Program, which offers SDVOSBs, VOSBs, and other small businesses unique opportunities to develop partnerships, maximize networking, and secure connections at nationwide procurement events, such as the National Veterans Small Business Engagement, which enables small businesses to gain access to VA procurement decision makers.

They coordinate and participate in outreach and communication events to provide awareness of VA small business programs and resources, small business goals, and training to firms interested in doing business with the VA. They also equip, empower, and educate Women Veteran entrepreneurs for success and economic opportunities, through the Women Veteran-Owned Small Business Initiative (WVOSBI). Finally OSDBU implements a program of quality control and compliance reviews to monitor performance goals, promote consistent application of standards, and assist programs to meet and exceed Agency's performance goals and objectives.

On January 1, 2021, the National Defense Authorization Act (NDAA) was enacted, mandating the transfer of the VOSB and SDVOSB verification function from VA to the SBA no later than January 1, 2023. All of OSDBU's other functions, including those mandated by the Small Business Act are to remain at VA, and VA will continue to verify applicants' service-disabled status. VA is collaboratively partnering with SBA to share information on the verification process and provide technical assistance. VA and SBA have established an interagency working group, with subgroups focused on specific subjects, such as information technology. VA will revise the Department's staffing and infrastructure once all transferring functions are successfully migrated to SBA. VA will reimburse SBA for costs associated with reviewing certification requests from applicants that upon review did not qualify as VOSBs or SDVOSBs.

SUPPLY FUND
SUMMARY OF EMPLOYMENT AND OBLIGATIONS
(\$ thousands)

Supply Fund	2021 Final	2022 Estimate	2023 Estimate
Full Time Equivalent			
OAL/OPAL – Field	823	1,003	1,003
OAL/OPAL- Central Office	150	243	235
OSDBU	46	54	35
Total FTE	1,019	1,300	1,273
Object Class			
Personnel Compensation	\$148,849	\$178,742	\$186,705
Travel	257	11,083	13,074
Transportation of Things	683	185	189
Rents, Communications & Utilities	35,032	30,688	32,576
Printing	10,385	104	123
Other Services	279,959	200,685	197,250
Supplies & Materials	521,973	713,513	705,083
Equipment	353,177	965,000	965,000
Total, Obligations	\$1,350,315	\$2,100,000	\$2,100,000

**Supply Fund
Income Statement**
(\$ thousands)

	2021 Final	2022 Estimate	2023 Request
Income	\$377,528	\$418,775	\$419,332
Expense	\$344,407	\$431,169	\$438,497
Net Income/Loss	\$33,121	-\$12,394	-\$19,165
Analysis of Retained Earnings			
Retained Earnings, BOY	\$295,335	\$328,456	\$316,062
Retained Earnings, EOY	\$328,456	\$316,062	\$296,897



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 create 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 which are financed on a fee-for-service basis rather than through VA's appropriation. 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>			
<i>(dollars in thousands)</i>			
	2021 Final	2022 Estimate	2023 Estimate
Average Employment	1,875	2,436	2,461
Obligations ⁴⁴	\$1,358,875	\$1,716,352	\$1,719,054
Outlays (Net)	(\$25,429)	(\$ 25,000)	(\$25,000)

In 2023, the Franchise Fund estimates total obligations of \$1,719 million and an average employment of 2,461 FTE to support the operations of the VA Enterprise Centers (ECs). Total obligations reflect the salary requirements for 2,461 FTE located nationwide; ongoing rents,

⁴⁴ Obligations are from the SF-133 Financial Report and include Intrafund transactions.

communications, 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 Information Technology 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 in the 4th quarter of FY 2021.

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"), and 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 (ITIO, Debt Management Center (DMC), FSC, Law Enforcement Training Center (LETC), Personnel Security Adjudication Center (PSAC), Human Capital Services Center (HCSC), Internal Controls Support Center (ICSC), and CEHRIS) 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 (OMB), 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 ECs, 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 accounts receivable services for debts owed to VA resulting primarily from an individual's participation in VA's education, pension, disability compensation, and first-party medical programs. DMC works directly with Veterans and beneficiaries providing compassionate and value-added customer service to resolve debt issues by processing waiver, compromise, dispute, and extended payment plans for individuals facing financial hardships.

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, and Washington, DC 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 directly support the OMB Cross-Agency Priority Goal #5—Sharing Quality Services, improving the effectiveness and efficiency of administrative services. The ECs deliver common administrative support services to Federal entities, such as Department of Homeland Security, Department of Health and Human Services, and Department of 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, the Secretary of Veterans Affairs and the Revolving Fund Board established the eighth VA Franchise Fund EC, 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.

VA Enterprise Centers Summary of Obligations (dollars in thousands)						
Parent Organization/Service Activity	2021		2022		2023	
	Actuals	FTE	Obligations	FTE	Obligations	FTE
<u>Office of Human Resources and Administration/Office of Operations, Security, and Preparedness:</u>						
Center for Enterprise Human Resources Information Services ^[1]	\$15,947	16	\$104,557	72	\$113,942	72
Human Capital Services Center	29,579	59	47,399	71	45,539	71
Law Enforcement Training Center	19,986	88	26,133	110	27,331	110
Personnel Security Adjudication Center	8,286	53	10,245	68	10,757	68
Subtotal	\$73,798	216	\$188,334	321	\$197,569	321
<u>Office of Management:</u>						
Financial Services Center	\$780,126	882	\$893,308	1,141	\$863,761	1,171
Debt Management Center	43,808	304	55,833	360	55,076	355
Internal Controls Support Center	5,390	12	5,632	22	5,944	22
Franchise Fund Oversight Office	2,621	6	3,511	6	3,718	6
Subtotal	\$831,945	1,204	\$958,284	1,529	\$928,499	1,554
<u>Office of Information & Technology:</u>						
IT Infrastructure Operations	\$453,132	455	\$569,734	586	\$592,986	586
Total	\$1,358,875	1,875	\$1,716,352	2,436	\$1,719,054	2,461

^[1] The Center for Enterprise Human Resources Information Center (EHRIS) was approved for the Franchise Fund in the 4th quarter of FY 2021. Data for EHRIS for the first 3 quarters of FY 2021 were reported as reimbursements to the program.

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 2023, the VA Enterprise Centers anticipate revenues, including other Federal agency customers, of \$1,796 million.

Revenue, Expense, and Retained Earnings			
<i>(dollars in thousands)</i>			
	2021	2022	2023
	Actuals	Estimates	Request
Sales Program:			
Revenue	\$1,258,677	\$1,781,093	\$1,795,536
Expense	<u>1,100,194</u>	<u>1,716,352</u>	<u>1,719,054</u>
Net Income	\$158,482	\$ 64,741	\$ 76,482
Reserves ^[1] , Start of year	\$239,358	\$325,955	\$345,643
Net Income	158,482	64,741	76,482
Capital Transactions ^[2]	<u>(71,885)</u>	<u>(45,053)</u>	<u>(38,854)</u>
Reserves, End of Year	\$325,955	\$345,643	\$383,271

^[1] Reserves are used to fund cash flow timing differences, periods of fluctuating workloads, and unanticipated expenses.

^[2] Acquisition, improvements, or depreciation of assets.

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Pershing Hall Revolving Fund

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.

VA's FY 2023 legislative proposal would provide the Secretary of Veterans Affairs (VA) additional funding flexibility in using funds in the Pershing Hall Revolving Fund by amending subparagraph (6)(A) of section 403 of Public Law (P.L.) 102-86. This proposal would increase the limitation to \$1,000,000 annually and would provide specific authority to allow the Secretary to use balances in the Fund for operating expenses of the VA History Office.

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.

<i>Funding Highlights</i> <i>(dollars in thousands)</i>				
	2021	2022		2023
	Actual	Budget Estimate	Current Estimate	Estimate
Budget authority	\$0	\$0	\$0	\$0
Receipts	\$359	\$400	\$400	\$400
Obligations	\$22	\$200	\$200	\$200
Unobligated balance:				
SOY	\$3,077	\$3,415	\$3,415	\$3,615
EOY	\$3,415	\$3,615	\$3,615	\$3,815
Outlays (net)	(\$323)	\$0	(\$200)	(\$200)



Recurring Expense Transformational Fund

Program Description

Section 243 of division J of the Consolidated Appropriations Act of 2016 (Public Law 114-113) authorized the Recurring Expenses Transformational Fund (RETF) This authority allows VA to transfer unobligated balances of expired discretionary funds, immediately before their cancellation, from any of its accounts into the RETF for use as directed in the Act. .

Balances available in the RETF 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 2023 Budget anticipates a transfer of \$968 million in unobligated balances into the RETF at the end of FY 2022, of which \$804.51 million is planned for major construction projects and line items and \$163.49 million is planned for minor construction projects that improve Veterans Health Administration facilities infrastructure as well as providing for the installation of zero emission vehicles charging infrastructure.

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